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PARIS, TUESDAY, APRIL 21, 1992

Abuja	1:50 P	London	11:55 P
Amman	1:50 P	Madrid	11:55 P
Beijing	1:50 P	Paris	11:55 P
Bombay	1:50 P	Rome	11:55 P
Buenos Aires	1:50 P	Tokyo	11:55 P
Calcutta	1:50 P	Washington	11:55 P
Caracas	1:50 P	Zurich	11:55 P
Chengde	1:50 P		
Cairo	1:50 P		
Colombo	1:50 P		
Dhaka	1:50 P		
Hankow	1:50 P		
Hong Kong	1:50 P		
Kobe	1:50 P		
London	1:50 P		
Los Angeles	1:50 P		
Manila	1:50 P		
Medan	1:50 P		
Miami	1:50 P		
Osaka	1:50 P		
Seoul	1:50 P		
Singapore	1:50 P		
Taipei	1:50 P		
Tokyo	1:50 P		
Washington	1:50 P		
Zurich	1:50 P		

## U.S. Ignored Early Alert On Iraqi Nuclear Project

### Bureaucrats Stifled 1989 Warning

By William J. Broad  
New York Times Service

NEW YORK — Pointed warnings that Saddam Hussein had embarked on a major effort to build a nuclear bomb were silenced within the federal bureaucracy nearly two years before the West went to war against Iraq and its atomic complex, government experts and congressional investigators say.

The warnings were made in early 1989 by officials of the Energy Department who discovered that Iraq had begun secretly buying nuclear parts, including fuel-making equipment and weapon triggers, in the West.

In April 1989, these officials tried to inform the National Security Council of the purchases and to propose that Western export controls be quickly tightened to deny Baghdad the bomb.

But their warnings were dismissed as alarmist by Energy Department superiors, who knew of Washington's long tilt toward Iraq as a counterbalance to Iran in the Gulf region. The superiors also knew of American intelligence estimates that Baghdad's bomb-building efforts were rudimentary and might not bear fruit for a decade or more.

It is generally known that billions of dollars in advanced Western equipment flowed to Iraq's nuclear program as Washington slept. But now it is possible to give a full account of how a federal agency monitored such shipments, grew alarmed and then, after internal debate, dropped a bid to stop them, all in great secrecy, more than three years ago.

The warning episode was uncovered by Representative John D. Dingell, the Michigan Democrat who heads the House Committee on



OPENING DAY IN SEVILLE — The police arresting a demonstrator Monday outside the Universal Exposition in Seville, where inaugural ceremonies were under way. The demonstrators were protesting police repression of an anti-fair rally on Sunday. Spanish authorities, meanwhile, said they were concerned about incidents involving Basque separatists in spite of recent arrests. Page 2.

## Syria Moves To Break UN Embargo On Libya

### Diplomats Say Assad Fears That Damascus Could Be Vulnerable

By Chris Hedges  
New York Times Service

CAIRO — Syria, uneasy about the United Nations embargo against Libya, has triggered the first cracks in widespread adherence to the sanctions by the Arab world.

Syrian officials, who have offered public support to Libya, tried to get air clearance from neighboring states for a Syrian Arab Airlines jet that was scheduled to fly from Damascus to Tripoli on Monday. They were unsuccessful.

And President Hafez Assad of Syria, who has been making a tour of the Gulf states, apparently is trying to induce his neighbors to re-examine the embargo, according to Western diplomats.

"The Syrians are worried," a diplomat said. "If the Libyan sanctions are successful they will be vulnerable."

The embargo went into effect April 15 after the Libyans refused to turn over two suspects wanted in the bombing of Pan Am Flight 103 over Lockerbie, Scotland, in 1988. A ban was imposed on air traffic in and out of Libya. Libyan diplomatic staff abroad was reduced and arms sales to Libya were banned.

But Syria, which is on the State Department's list of states that sponsor terrorism, fears that it may be next if the United Nations decides to sanction another state for terrorist activities, diplomats said.

Mr. Assad has held talks in Saudi Arabia with King Fahd and the emir of Kuwait. He is scheduled to go on to Abu Dhabi and the other three Gulf Cooperation Council states, Bahrain, Qatar and Oman.

A high-ranking Syrian official, Tawfiq Salih, in a visit to Libya this weekend, announced Syria's support for Colonel Moammar Gadhafi. The public statement of support "raised the morale" of the Libyan people, Colonel Gadhafi said.

During the Security Council debate before the sanctions were imposed, the Syrian foreign minister, Farouk Shara, voiced objections, arguing that the United Nations did not have "the authority to discuss disputes of this kind." And the state-controlled Syrian press has attacked the sanctions as "unjust," calling for "solidarity" with Libya.

In the Arab world only Iraq, which is under a much more severe embargo, and Sudan have said they would violate the sanctions against Libya.

But the Syrians did not openly defy the embargo until the announcement this weekend that they would request permission for their scheduled commercial flight in travel to Libya. A spokesman for Syrian Arab Airlines said it would continue seeking permission for flights to Libya. Civil aviation authorities in Cyprus and Greece refused to allow the Caravelle aircraft to enter their air space en route to Libya.

The Syrian defiance has signaled an open break with Washington. The relations between the United States and Syria, distant and often hostile during the past decade, reached their zenith during and just after the Gulf War, when Syria sent troops to Saudi Arabia as part of the coalition forces.

After the war, the Syrians helped gain the release of the Western hostages from Lebanon, and Syrians took part in the Middle East peace process. Syria even expelled the terrorist known as "Carlos," who Western diplomats report has taken refuge in Baghdad.

But the Syrian moves were not enough for Washington, which demanded that Mr. Assad's government end its support for a variety of Palestinian terrorist groups and for the Marxist Kurdish Workers Party.

The party is engaged in a guerrilla war in southeastern Turkey and operates, along with groups such as the Red Army, out of the Syrian-controlled Bekaa in Lebanon. The Syrians are also alleged to be harboring the Nazi war criminal Alois Brunner.

U.S. officials first blamed the bombing of the Pan Am flight on Ahmed Jibril, the leader of the Popular Front for the Liberation of Palestine-General Command, who is based in Damascus. The U.S. government said at the time that the bombing had been carried out at the request of Iran, which sought to avenge the downing of an Iranian commercial jet over the Gulf by a U.S. warship in July 1988. The United States later dropped the charges, apologizing to Syria.

The isolation has hurt the Syrians' ability to

## UN Aide Sees Wide Support For Rebel Rule in Kabul

By William Branigin  
Washington Post Service

KABUL — A United Nations special envoy, seeking to arrange the safe departure of the deposed President Najibullah and broker an Afghan peace accord, said Monday that there was wide support among the country's factions for replacing the crumbling Kabul regime with a government comprised of Islamic guerrilla representatives.

The negotiator, Benon Sevan, said efforts to arrange President Najibullah's safe passage out of the country were continuing after a deal last week fell through when one of the Afghan parties to it apparently reneged. He declined to discuss details of the arrangement, calling it a "dangerous issue" in which lives were at stake.

Mr. Sevan's remarks came as the authority of the Soviet-installed Kabul government continued to shrivel amid the emergence of a patchwork of alliances among various rebel, ethnic, military and militia groups.

Such alliances of former bitter enemies have assumed control of a number of population centers around the country, including Kandahar in southern Afghanistan, the country's second-largest city.

Mr. Sevan urged opposing factions to "restrain from revenge" as intensive negotiations proceeded on ending 14 years of war that he said had killed nearly 2 million Afghans and injured a similar number.

"There are enough dead people in Afghanistan," he said.

## After This Court Ruling, Abortion Debate Will Shift to the Streets

By Linda Greenhouse  
New York Times Service

WASHINGTON — The Supreme Court argument this Wednesday in an abortion case from Pennsylvania will shift the abortion spotlight from Congress, the states and the streets back to the court — but only temporarily.

Despite the dozens of briefs attacking and defending Pennsylvania's Abortion Control Act, despite the effort expended to renew or revise arguments, advocates on both sides are to a striking degree talking past the court this time.

They may share little else but the conviction that the future of abortion rights will be determined not in court but in voting booths and legislative chambers.

Nineteen years after the court voted, 7 to 2, in Roe v. Wade that the U.S. Constitution gave women a "fundamental" right to choose abortion.

Justice Harry Blackmun, the unflinching eye of the American abortion storm, Page 3.

Republican presidents who have pledged to see that decision overturned have appointed several new justices.

The proposition that abortion is a fundamental constitutional right no longer commands a majority of the court, a fact evident in the

Webster v. Reproductive Health Services decision three years ago, when the court upheld a Missouri abortion law in a fragmented 5-to-4 ruling.

It is less certain whether a majority is ready in the Pennsylvania case to condescend around a new standard and give Roe v. Wade an official burial. Because the Pennsylvania law, like the Missouri law in the Webster case, regulates abortion without prohibiting it, the court need not revisit its conclusion in Roe v. Wade that states cannot make abortion a crime.

Other cases now heading to the court, challenging laws that make abortion a crime in Louisiana, Utah and the Territory of Guam, will soon present that question. On Thursday a federal appeals court overturned the Guam law, saying Roe v. Wade was still the law of the land.

But even without forcing the justices to decide that ultimate issue, the Pennsylvania case requires the court to choose a legal standard for evaluating restrictions on abortion. Any standard it selects other than the one adopted in Roe v. Wade will almost certainly permit states to restrict access to abortion.

In fact, what the abortion rights leadership appears to dread from the court in this case is not defeat, which it anticipates, but an ambiguous ruling that preserves Roe v. Wade in name while rendering it powerless as a practical matter by making abortion unattainable for many women.

Such a ruling, the abortion rights groups fear, would give a false sense of comfort in a crucial election year, muddying the message in obscure legal prose while opening the door to widespread state restrictions.

Abortion has not yet become a salient issue in the presidential campaign, because all the major contenders for the Democratic nomination have supported the right to an abortion. But Republican strategists have expressed concern that if the court restricts or overrules Roe

See ABORTION, Page 6

### Kiosk

#### U.S. May Break With Belgrade

Although the United States and Europe are reluctant to abandon diplomatic dialogue, a State Department official said that Serbian aggression against Bosnia-Herzegovina, the breakup of the republic, may lead to a severing of relations with Yugoslavia.

Belgrade's recalcitrance in the face of diplomatic pressure, he said, has diminished the value of continuing dialogue. He said that Washington and the EC would coordinate any breaks in ties with Yugoslavia. (Page 2)

Wall Street slumped, then recovered a bit, as interest rates on U.S. bonds surged. Page 9.
Crossword Page 8.
Weather Page 2.

3,336.31	The Dollar
Down	In New York
30.19	Dollars
	Per 100 Yen
	144.305
	Per 100 Marks
	5.63

## A U.S.-Japanese Tinderbox: Those Cartels!

By Paul Blustein  
Washington Post Service

TOKYO — They called themselves the Saitama Saturday Society, and they were allegedly a classic *dango* — a group of companies that meets behind closed doors to rig bids and divvy up contracts.

The society included 66 Japanese construction companies, most of which have reportedly admitted to participating in illegal bid-rigging on public works projects in Saitama prefecture, west of Tokyo, where the public works budget totals about \$700 million. Among the projects allegedly parceled out were dams, industrial parks and sewage lines.

So what will happen to the society's members for engaging in such collusive behavior? Apparently not much. And therein lies a new potential conflict between Washington and Tokyo over one of the most contentious issues in U.S.-Japan relations — the Japanese government's lax attitude toward corporate cartels.

According to the Japanese press, the Fair Trade Commission has tentatively decided after a long investigation that it will not seek criminal charges against the members of the Saitama Saturday Society. Instead, the antitrust agency will probably just issue an order for the companies to cease all anticompetitive activities.

Trade commission officials refused to comment on the reports. They were carried last week in major newspapers including the Yomiuri Shimbun and the Asahi Shimbun, whose reporters are often briefed on the government's law-enforcement plans.

In an editorial Sunday, the Asahi Shimbun denounced the tentative decision as a sellout that would embarrass Japan in the eyes of the world because of the blatant nature of the bid-rigging.

"Not a few Japanese are of the view that the FTC

may be succumbing to political pressures," the paper declared, noting that the construction lobby heavily influences legislators from the governing Liberal Democratic Party.

Washington has long contended that cozy practices like *dango* keep foreigners from cracking certain Japanese markets, notably construction. Now Tokyo is complaining that the Bush administration is taking an unnecessarily confrontational stance on the matter.

On April 3, the U.S. Justice Department announced that it may take antitrust action against foreign companies that use collusive methods to block U.S. companies from doing business abroad, even though such offenses would presumably take place outside the United States. The move attracted considerable media attention in Japan, and it was criticized both here and by

See CARTEL, Page 10

## Prosperity Stinks, Pennsylvanians Find

### Mushrooming Business Makes Dollars — and Awful Scents

By Michael deCourcy Hinds  
New York Times Service

WEST GROVE, Pennsylvania — Joseph Dixon woke up at 6 A.M. the other day and wrote in his official Odor Survey Log, "Strong rotten flesh smell; nasal irritation, nosebleed, headache."

Sharon Horwitz, a neighbor in this bucolic borough, described the smell in the air as "acid, putrid," and logged her symptoms as "muscle aches, sinus headache, fatigue."

So much for country living.

Mr. Dixon, Ms. Horwitz and more than a dozen other residents in this southern part of Chester County, which is about 35 miles (55 kilometers) west of Philadelphia, are recording their feelings for a survey by the State Department of Environmental Resources.

And more than 500 others, or about 20 percent of the population, have signed a petition complaining to the State Department of Health about the smells and associated pains that seep into their lives from a nearby farm, which has a heavily manured compost pile sprawling over three acres (1.2 hectares).

This is not a story about the subdivision of the countryside and suburbanites' fussy complaints about foul odors from nearby family farms. That sort of friction is commonplace here in this agricultural county, which from 1980 to 1990 experienced an 18 percent growth in population, to 376,000 people, and a 26 percent increase in housing units, to 139,000.

No, this story is mostly about farm-loving people like Mr. Dixon and Ms. Horwitz who say they came here years ago to raise families in little communities like West Grove, which has Victorian houses and one spotlight.

They say they enjoy the sight of cows grazing on hillsides and do not mind the occasional whiff of the barnyard.

"I'm not an urban person who can't hack the smells," said Ms. Horwitz, 37, a fitness coordi-

ator at a local YMCA. "I used to live on an Amish farm."

But now Ms. Horwitz and others say their health, family life and property values are deteriorating because of consolidation and advances in the mushroom industry over the past decade.

In many hamlets like West Grove, they say, once-sleepy mushroom farms have evolved into malodorous compost factories that operate 12 hours a day, seven days a week.

Southern Chester County has been known as the Mushroom Capital of the World since the 1890s, when a wholesale florist here developed a process for mass-producing mushrooms in darkened greenhouses.

Pennsylvania produces half of the nation's mushrooms, 351 million pounds (160 million kilograms) last year, and most of them were grown in Chester.

Where there were 500 growers 25 years ago,

See SMELL, Page 6

## Madonna's New Look: Arts Mogul for Time

By [Name] United Press International

NEW YORK — Madonna and Time Warner Inc. said Monday they were forming a multimedia entertainment firm that would make the singer the world's highest-paid female pop star and czarina of an avant-garde arts "think tank."

The formation of Maverick, to be run by Madonna and her longtime manager, Freddy DeMann, was announced jointly by Time Warner's chairman, Steven J. Ross, its president, Gerald Levin, Madonna and Mr. DeMann. Although no amount of money was mentioned, The New York Times reported Madonna would get as much as \$60 million in advance.

"Freddy and I, the Maverick staff, and Time-Warner divisions are dedicated to making this enterprise a vehicle to entertain as well as enlighten, provoke and, naturally, make a profit," Madonna said. "Maverick stands for the perfect marriage of art and commerce."

Edward Adler, a Time Warner spokesman, said Maverick's artists would create artistic and business endeavors using all Time Warner divisions. Maverick is to develop feature films, broadcast television specials, series, cable television and pay-per-view programs, music videos and books.

Maverick will consist of a record company and a music publishing company, and will have television, film, merchandising and book publishing divisions. It will be headquartered in Los Angeles with offices in New York and London.

As part of the agreement, Madonna has renegotiated and extended her

See MADONNA, Page 11



Madonna: "The perfect marriage of art and commerce."



Unidentified members of the Russian Congress of People's Deputies during a session in the Kremlin on Monday. The session is scheduled to finish on Tuesday.

# Yeltsin Says He'll Drop Extra Post By Summer

By Michael Dobbs  
Washington Post Service

MOSCOW — President Boris N. Yeltsin of Russia sought Monday to heal a political rift with parliament by announcing that he would give up his additional post as prime minister within three months. The move marked a concession to the parliamentary opposition of Communists and nationalists following a dispute over the pace and scope of the government's program of economic shock therapy. But it also suggests that Mr. Yeltsin now feels confident enough to relax his personal control over the government without jeopardizing his economic reforms.

Mr. Yeltsin's decision in December to name himself prime minister deprived the legislature of its right to control, and if necessary, dismiss the government. It effectively protected his team of young economic reformers from a hard-line political onslaught at a time when they were taking their first steps to liberalize the economy and free prices. In what was billed as another step toward the introduction of market mechanisms, the government announced a fivefold increase in gasoline prices Monday, to the ruble equivalent of 43 cents a gallon. The full liberalization of energy prices, which are still only a fraction of world levels, has been postponed until later in the year.

At a meeting with parliamentary leaders, Mr. Yeltsin also promised that he would soon take steps to broaden his government's political base. Russian political sources expect him to appoint a new deputy prime minister to work alongside Yegor T. Gaidar, the architect of his free-market reform program. The most likely candidate for the post is Vladimir Shumeiko, the present deputy chairman of the Congress of People's Deputies. The appointment would be a signal that the government is seeking to build bridges with its conservative critics in the Congress and that it will take additional measures to protect low-income groups.

By offering an olive branch to the parliament, Mr. Yeltsin may also be hoping to win support for his own nominee as prime minister when he eventually steps down. Unless there is a radical change of course over the next three months, his preferred choice is likely to be Mr. Gaidar, whose political stature has grown considerably over the last two weeks.

A little-known economist until just a few months ago, Mr. Gaidar demonstrated that he is a determined political infighter. By threatening to resign rather than carry out a series of populist economic measures endorsed by the Congress, Mr. Gaidar preserved the essence of his free-market reforms and forced his political opponents to agree to a face-saving compromise.

# WORLD BRIEFS

## Yemen Rescue Saudi Ambassador

SANA'A, Yemen (Reuters) — A policeman disguised as a servant threw tea in a gunman's face Monday to help free the Saudi Arabian ambassador, who had been held hostage in his embassy for 18 hours. Security men immediately rushed into the room where the envoy was being held and overpowered the gunman, who was armed with a hand grenade and had demanded a ransom of \$1 million. The ambassador, Ali Mohammed Qufaidi, told Saudi radio that he had persuaded the gunman, Ahmed Murtashar, a Yemeni known to the embassy staff, "to allow somebody to bring tea and breakfast."

## Bush Makes a Plea for Free Trade

COLUMBUS, Ohio (UPI) — President George Bush on Monday helped open an exposition commemorating the 500th anniversary of Christopher Columbus's voyage to the New World by making a pitch for expanded trade. Mr. Bush joined the Ohio capital in beginning a six-month salute to its namesake, and used the platform to make a plug for free trade. "We need, as President Nixon once said, an open world, open cities, open hearts and open minds," he said. Later this week, Mr. Bush plans to call for resolving negotiations on two major international pacts: the North American Free Trade Agreement, and the General Agreement on Tariffs and Trade.

## Mozambique Seeks Help in Oil Spill

MAPUTO, Mozambique (Reuters) — Mozambique said it faced environmental disaster and appealed for international help on Monday after more than 3,000 tons of heavy fuel oil spilled from a damaged Greek-owned tanker off Maputo. Experts from Britain arrived to help carrying 60,000 tons of fuel oil from the Katina P, which was carrying 20 kilometers (12 miles) north of Maputo. The ship was on a sandbar (20 kilometers) 12 miles north of Maputo to prevent it from breaking up after it was crippled by a freak wave late Thursday. "It is the biggest environmental disaster ever to hit the Mozambique channel," Foreign Minister Pascoal Mocumbi said, referring to the southern African country's coastline.

## Court to Allow California Execution

SAN FRANCISCO (AP) — A federal appeals court has lifted an order that had blocked the execution of a man convicted of murdering two teenagers in 1978, opening the way for California's first execution in 25 years. The 9th U.S. Circuit Court of Appeals late Sunday overturned a temporary restraining order issued Saturday by U.S. District Judge Marilyn Hall Patel. The decision means that Robert Alton Harris could be executed as planned early Tuesday. California's gas chamber has not been used since 1967.

## Gunmen Slay Istanbul Policeman

ISTANBUL (AP) — A policeman and a civilian were killed and a police officer seriously wounded in two gun attacks Monday, the police reported. There was no immediate claim of responsibility. The officer was the fifth killed in a terrorist attack over the past three days, apparently in retaliation for a police crackdown on a powerful underground organization. On Friday, the police killed 11 members of the Dev-Sol extremist group in a series of raids on apartments throughout the city. The dead included the deputy leader of the organization, which has claimed responsibility for the murders in recent years of active and retired generals, intelligence chiefs and two Americans.

## Canada Cites Rights Factor in China

BEIJING (AP) — Canada's trade minister told Chinese officials Monday that human rights concerns prevented the normalization of relations strained by China's crackdown on the 1989 pro-democracy movement. Michael H. Wilson said that the release of dissidents jailed in connection with the failed movement and improved treatment of Tibetans would clear the way for improved relations. But Mr. Wilson, heading a delegation of 22 business executives on a four-day trade mission, added that Ottawa would make no demands on Beijing intended to force changes in human-rights policies. "I think it is important for us to realize that our objective is not to isolate China," he said.

## Albanians Support Economic Plan

TIRANA, Albania (AP) — The parliament has approved the government's proposals aimed at improving the economy and re-establishing law and order, state radio reported. The opposition Socialist Party, the former Communists, abstained in the vote. The proposals include complete land privatization; gradual but full privatization of most state enterprises as well as of trade, transportation and the fishing and mining industries; the selling of state homes to those living in them, and the ending of subsidized food prices.

# TRAVEL UPDATE

Athens was choking in garbage fumes after a 10-day strike by 18,000 municipal workers that has left 35,000 tons of rotting garbage on city streets. Government sources said Monday that the army might have to be called in if health dangers mounted. About 3,000 people remained stranded in Crete on Monday as a Spanish ferry workers' strike continued, a company official said. Workers in Spain's North African enclave called an indefinite strike to protest the suspension of 24 employees. Vietnam and Singapore signed an air services agreement Monday to enable each country's airline to operate six passenger and two cargo flights a week between the two nations, Singapore officials said. (AP)

# The Weather



Region	Today	Tomorrow
North America	Clouds will linger with some showers in the Great Lakes states Wednesday. Showers and a few thundershowers will wet the Eastern Seaboard through Friday. Dry weather will be confined to the West Coast through at least Friday in Southern California.	Western Europe will be dry and mild much of the week. Paris and London will have some sunshine along with above normal temperatures Wednesday through Friday. Cold weather will be confined to Scandinavia and northern western Russia.

Region	Today	Tomorrow
Europe	High: 64, Low: 44, Precip: 0.00 in	High: 62, Low: 42, Precip: 0.00 in
Asia	High: 78, Low: 58, Precip: 0.00 in	High: 76, Low: 56, Precip: 0.00 in
North America	High: 68, Low: 48, Precip: 0.00 in	High: 66, Low: 46, Precip: 0.00 in
Latin America	High: 82, Low: 62, Precip: 0.00 in	High: 80, Low: 60, Precip: 0.00 in
Africa	High: 80, Low: 60, Precip: 0.00 in	High: 78, Low: 58, Precip: 0.00 in
Middle East	High: 70, Low: 50, Precip: 0.00 in	High: 68, Low: 48, Precip: 0.00 in
Oceania	High: 72, Low: 52, Precip: 0.00 in	High: 70, Low: 50, Precip: 0.00 in

# Where Will ETA Strike Next? Spain Is on Guard

By Barry James  
International Herald Tribune

An unanswered question in Spain is it opened the Universal Exposition in Seville on Monday and prepared to play host to the Olympic Games in Barcelona was the extent to which the Basque terrorist organization ETA retained its power to kill people and disrupt events.

Spanish authorities were jubilant last month when the French police arrested ETA's commander in chief and two of his leading henchmen. But the jubilation has given way to a sense of solatry. No caches of explosives have been discovered since the March 29 arrests. Nothing more is known publicly about roving ETA commandos believed to be operating in Spain.

José Luis Corcuera Cuesta, the Spanish interior minister, said after the arrests that ETA still had the power to kill and undoubtedly would continue to attempt to do so. He said security arrangements for the Seville fair and the Olympics would be maintained and reinforced if necessary. The defense minister, Julián García Vargas, warned that the arrests may goad ETA into carrying out countermeasures to demonstrate its power despite the loss of its leadership.

He has ordered some 15,000 soldiers to guard the frontier with France, the Olympic sites and the high-speed railroad linking Madrid with Seville that is scheduled to begin operation Tuesday. ETA's campaign for an independent homeland, which is rejected by the majority of the Basque population, has cost more than 700 lives over the past two decades.

The organization has killed an average of two persons a week in the first months of this year. Egin, the newspaper that speaks for the terrorist group, warned earlier this year of a stepped-up campaign of violence during the 1992 festivities. The luckiest break for the authorities came when the leader of one of the ETA commando units operating in Spain, José Luis Urrusola, either lost his wallet or had it stolen. The civil guard found a number of false identity cards, a telephone number in France and a date, March 29.

The clues enabled the French police to close in on a house near Biarritz, where they captured the ETA's high command, along with several other Spanish and French suspects. Those arrested included: • The alleged commander in chief, Francisco Múgica Garmendia, known to

the French as Pakito and to the Spaniards as Artapalo. • The man believed to be the organization's chief strategist, José Luis Alvarez Santacristina, codenamed Txelis. • The person whose police identify as ETA's leading explosives expert, José María Arregui Errostarbe, also known as Fittipaldi.

The police also captured a large amount of documents and computer diskettes, which are being examined for clues about ETA's structure and operations. The documents are believed to contain information about who is paying a "revolutionary tax" imposed by ETA on Basque industrialists. The arrests were a dramatic example of cooperation between the French and Spanish police. Until recently, France officially considered Basque violence to be a Spanish problem, and maintained a hands-off policy that enabled ETA to set up a rear guard on French territory.

At a meeting last year, Mr. Corcuera showed the French interior minister, Philippe Marchand, a video recording of a particularly horrific ETA bombing in which a girl's legs were blown off. Spanish sources say the meeting jolted Mr. Marchand into action and that since then cooperation has been ample. The two governments signed an agreement earlier this year that allows members of the Spanish civil guard to operate in France. Mr. Múgica Garmendia has a reputation for ruthlessness and dictatorial control of ETA. Spanish political sources say that with him in jail it may be possible to begin a dialogue aimed at persuading Herri Batasuna, ETA's political front, and at least some of the terrorists, to renounce violence.

Mr. Corcuera told parliament that the ETA showed signs of dissent, and that among more than 500 convicted Basque terrorists in Spanish jails the dissent was "palpable." He ruled out direct negotiations with the terrorist group. Nevertheless, the government has suggested that convicted terrorists who renounced violence may be considered for lenient treatment aimed at their reintegration in society. This could include the transfer of prisoners to jails closer to their homes, the easing of prison conditions and even conditional liberty for some prisoners. But government officials have said there can be no question of parole as long as the killings continued because of strong public opposition.

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# For Immigrant Taxi Drivers, Vienna Is No Waltz

By Michael Z. Wise  
Washington Post Service

VIENNA — At the taxi stand outside the Vienna State Opera, Karoly Kokai, a cab driver, is waiting for his next fare. The radio dispatcher suddenly asks for a "native" to go to a nearby address. Kokai, a Hungarian, stays put, letting an Austrian-born driver beed the call. One of Vienna's largest taxi-dispatching services is doing a brisk business sending "natives" to transport passengers averse to foreigners at the wheel. The company says it is merely responding to a consumer demand no different than a special request for a Mercedes or a nonsmoking sedan.

Although the demand for native drivers makes up only a fraction of overall taxi requests in the Austrian capital, drivers say such calls have risen sharply in recent months. Phoning for a native has become standard practice among Viennese worried about an influx of immigrants from Eastern Europe and developing countries. "This mirrors the general mood here," said Mr. Kokai, 33,

who has lived in Vienna for 11 years. "Foreigners are unwelcome." Many drivers say the preference for natives stems simply from aggravation over the inability of some cabbies of foreign origin to understand German and quickly find desired destinations. Others discount that theory, citing the rules that command of the language and a thorough knowledge of city streets are prerequisites for obtaining a taxi driver's license.

Viennese drivers, interviewed at taxi stands around the city, accused their foreign colleagues of "poor grooming," "bazaar manners" and driving "dirty cars." They also said the foreigners lacked *Schmäh*, a form of relaxed conversation. "How can they have Schmäh?" asked a driver, Hubert Steininger, in mock indignation. "The Viennese like to converse, they like to talk politics, they like jokes. When you pick them up at a tavern, you say: 'So, how was the wine?'"

There were any good-looking babes? You can't just sit there at the wheel — you've got to tell stories." Christian Röttinger, a city spokesman, termed the readiness of some dispatchers to transmit requests for native-driven taxis an "exploitation of latent xenophobia." Yet, while Austrian law prohibits discrimination on the basis of national or ethnic origin in public services, officials said they knew of no instance where the practice had been legally challenged.

"I am simply meeting a demand," said Gerhard Pfister, manager of Funktaxi 31300, which is linked by radio to nearly a quarter of Vienna's 4,340 cabs. Several foreign-born cabbies have ended dispatching arrangements with the company, but Mr. Pfister rejected such criticism, saying the private company was acting according to free-market principles. "I respect customers' wishes, no matter what," he said. "I don't see why this should be a matter for discussion."

# U.S. and EC May Isolate Yugoslavia

WASHINGTON — The United States and the European Community are considering breaking diplomatic relations with Yugoslavia to protest Serbian aggression against the breakaway republic of Bosnia-Herzegovina, a State Department official said Monday.

The official said the move was being weighed at the highest levels of the administration. Washington would seek to coordinate its actions with the EC, where a similar discussion was taking place. "At this point, it is being discussed," the official said. "It is not being planned, but it certainly is within the realm of possibility." He said that both the United States and Europe were reluctant to give up on dialogue with Belgrade. But he said Serbia had been so impervious to diplomatic pressure that the value of continuing such dialogue was now in question.

The official said that much would depend on talks in Belgrade between U.S. Deputy Assistant Secretary of State Ralph R. Johnson and the Serbian leadership. Mr. Johnson flew into Bosnia-Herzegovina over the weekend aboard a U.S. aid flight, one of five to the beleaguered city of Sarajevo. He was in Slovenia and Croatia on Monday and planned to go to Belgrade before returning to Washington toward the end of the week.

The State Department official said that the shelling of the Sarajevo airport by Serbian forces on the day Mr. Johnson arrived was seen by Washington as "a very hostile gesture." The State Department spokesman Richard A. Boucher said Monday that Mr. Johnson had discussed establishing full diplomatic ties with Bosnia-Herzegovina, Slovenia and Croatia, and intended emphasizing to Serbian officials Washington's concern over their actions.

He said it was evident that Serbian forces were trying to take over large parts of Bosnia-Herzegovina. The State Department official said that Mr. Johnson would try to assess whether it was worth preserving any dialogue with the Belgrade government.

# Maurice Buckmaster Is Dead, He Controlled British Spies

Compiled by Our Staff From Dispatches

LONDON — Maurice Buckmaster, 90, who controlled Britain's spies in France during World War II and was credited for helping to shorten the conflict, has died, his family said Monday.

News reports said he died Friday in Forest Row in southeast England, but gave no cause of death. Mr. Buckmaster ran the French section of the SOE, or Special Operations Executive, from 1941 to 1945. The SOE sent about 400 British agents into wartime France on espionage and sabotage missions. Of these, 117 were killed between 1941 and 1945, many of them after being tortured.

At the war's end, the Allied command, General Dwight D. Eisenhower, said the section had helped shorten the war by six months. "It was the equivalent of 15 divisions," he said. Before the war Mr. Buckmaster had mastered the French language as a journalist on the Paris newspaper *Le Matin*. This was followed by six years with a merchant bank and then a position as assistant to the chairman of the Ford motor company, where he later became manager in France and then in the whole of Europe. He returned to Ford at the end of the war.

France honored Mr. Buckmaster as a Chevalier de la Légion d'Honneur. He was awarded the Croix de Guerre, the Médaille de la Résistance, and the U.S. Legion of Merit. Britain made him an Officer of the Order of British Empire in 1943.

Prince Bagration, 79, Headed Tolstoy Foundation  
NEW YORK (NYT) — Prince Teymuraz Bagration, 79, who escaped the Russian Revolution, became a Yugoslav official in World War II, then headed international relief efforts for political refugees for 43 years, died of a heart attack April 10 in New York. Prince Bagration was the presi-

dent of the Tolstoy Foundation, a Manhattan-based agency he had worked for since 1949. Born in Pavlovsk, near St. Petersburg, he was descended from two houses of royalty. His father was in the Georgian dynasty, and his mother from the Romanovs of Russia. He was a great-great-grandson of Czar Nicholas I.

In World War II his aftermath, Prince Bagration worked for Yugoslavia with the Allies, the Hungarians, the French underground and in a legion in Switzerland and royal chancelleries in Paris and London. Countess Alexandra Tolstoy, daughter of the novelist Leo Tolstoy, recruited Prince Bagration to the foundation, which helped refugees from the Soviet Union, Tibet, Chile, Uganda, Cuba and other countries.

Johnny Shines, 76, Delta Blues Musician  
TUSCALOOSA, Alabama (AP) — Johnny Shines, 76, one of the last of the original Delta blues guitarists and singers, died Monday in a Tuscaloosa hospital where he was being treated for hardening of the arteries. A native of Frayser, Tennessee, Mr. Shines spent much of his youth in Mississippi playing acoustic blues with such legendary musicians as Robert Johnson. He moved to Chicago and became a mainstay on the electric blues scene, playing on dozens of records under his own name and as a sideman to other blues musicians.

After a period away from the music scene he was rediscovered by blues historians in 1965 and began playing at festivals across the United States and in Europe. Neville Brand, 71, a World War II hero who capitalized on his rough-hewn features in dozens of tough-guy roles in movies and television, died of emphysema Thursday in Sacramento, California. His best-known films were "Stalag 17" and "The Birdman of Alcatraz."

William H. Cowies 34, 60, president and publisher of The Spokesman-Review and Spokane Chronicle newspapers, Saturday in Spokane, Washington, died after suffering a heart attack while jogging.

Frankie Howard, 70, a British comedian who delighted millions playing a Roman slave in the 1970s television series "Up Pompeii," in London died Sunday after recent treatment of heart problems. Raymondodo Pietro Carlo, 80, the London hairdresser known as "Tessie-Wessie" Raymond whose kiss-curl style was a symbol of the swinging '60s, died of cancer Friday in Berkshire, west of London.

# Sudan to Allow Relief Deliveries

NAIROBI — Sudan's government has after two months eased a ban on relief flights to the rebel-held south, where a huge army of offensive is under way, but a rebel spokesman said Monday that many southerners would still be left without food.

Hundreds of thousands of people risk starvation in southern Sudan because of drought and a civil war that has been in progress nine years, United Nations officials said. The relief ban was imposed when the government launched its offensive against the rebel Sudan People's Liberation Army.

Thomas Ekvall of Operation Lifeline Sudan, a relief program for the south sponsored by the United Nations, said the government had authorized flights to three rebel-held southern towns, Nasir, Wat and Akobo. Justin Arop, a rebel spokesman, welcomed the prospect of food reaching the three towns, but stressed that they were areas held by a rebel splinter group.

REACHING THE EUROPEAN LEADERSHIP  
Eminent Europeans\*  
%  
International Herald Tribune: 33  
Financial Times: 21  
Wall Street Journal Europe: 10  
USA Today: 1  
The Economist: 29  
Newsweek: 25  
Business Week: 19  
Fortune: 8  
National Geographic: 8  
Scientific American: 23  
International Management: 13  
3  
The IHT is read by more Continental European government and political leaders listed in the International Who's Who than any other international publication.  
\*Source: Who's Who in Europe Survey, 1990  
INTERNATIONAL Herald Tribune

BRIEFS

Saudi Ambassador... help from the Saudi Arabian... in his embassy for 18 hours... bed into the room where the... man, who was armed with... demanded a ransom of \$1 million... Qutub, a Yemeni known... to bring tea and breakfast...

for Free Trade... President George Bush on... commemorating the 50th anniversary... to the New World by making a...

Help in Oil Spill... Mozambique said it... heavy fuel oil spilled from a... to help prevent environmental... 20 kilometers (12 miles) north of... after it was crippled by a freak... environmental disaster ever to... a Minister Pascoal Mocimba said... country's coastline.

California Execution... A federal appeals court has lifted... of a male convicted of murder... way for California's first execution...

of Appeals late Sunday overruled... issued Saturday by U.S. District... of Robert Allen Harris could be... ma's gas chamber has not been...

Ambul Policeman... man and a woman were killed... in two gun attacks Monday, the... the claim of responsibility... in a terrorist attack over the... for a police crackdown on a...

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Angry Neighbors Spotlight Doxies' Customers

New York Times Service NEW HAVEN, Connecticut — Under cover of darkness, Joseph Firine and Sally Prangley move swiftly along four blocks of Edgewood Avenue here, covering telephone poles and trees with posters that name the area's "John of the Week."

on posters, two plan to sue, saying their lives have been ruined. But the police say they have seen a decline in the number of prostitutes and their clients in the area.

left him. He said both men are blue-collar workers who live in the nearby suburbs. Each pleaded guilty to the reduced charge of creating a disturbance and received a \$35 fine.

are I.V.-drug users, and the highest risk category for AIDS. William Gallagher, a lawyer for the association, which represents about 300 families living in the Edgewood Avenue neighborhood, said they would counter-sue if a suit is filed.

High Court Lets Stand Anti-Bias Job Rulings

The Associated Press WASHINGTON — The Supreme Court on Monday left intact affirmative action programs in two cities and let stand rulings aimed at assuring the racial diversity of public school employees in a third.

And in the school case, involving Boston, the justices rejected an appeal from a teachers union that said federal courts had exceeded their authority to desegregate the school system.

The court also agreed to consider putting new restrictions on the power of federal courts to overturn state criminal convictions. The justices said they would use a Michigan case to decide whether federal courts generally may second-guess state courts that say a defendant was informed of his rights on arrest.

In the Boston case, the court refused to get involved in a racial battle that has spanned two decades. The lower court rulings were aimed at assuring that 25 percent of the teachers and administrators in Boston public schools are black and that 10 percent are from other racial minority groups.

In the Philadelphia case, the court left intact an affirmative action plan aimed at increasing the number of black city police officers. The court, without comment, rejected a police union's argument that the plan violates the rights of whites who apply to the police department.

The court also left intact a San Francisco affirmative action program designed to funnel more public works contracts to companies run by minority members and women.

In the Michigan case, a federal appeals court threw out the murder conviction of a man who had claimed that his confession was involuntary. The man had asserted that the confession violated the Supreme Court's 1966 decision requiring the police to warn suspects in custody that they may remain silent and are entitled to an attorney.

At issue is whether the Supreme Court will extend the scope of a key 1976 decision and bar federal courts from ruling that a defendant's Fifth Amendment rights were violated, even though the defendant has received "a full and fair hearing" on that issue in the state courts.

The 1976 ruling focused on claims of Fourth Amendment violations. In that ruling, the justices barred federal court review when defendants assert that they have been subject to unlawful police searches that violate the Fourth Amendment. The amendment protects individuals against unreasonable police searches and seizures.

The high court several times previously has declined invitations from state prosecutors to extend the 1976 decision barring Fourth Amendment claims, so that it covers alleged Fifth Amendment violations.

The justices also reopened a school-segregation dispute in Topeka, Kansas, 38 years after they used a case from that city to ban segregated public schools nationwide. In the case, the justices told a federal appeals court to restate its ruling that school officials have not done enough to counter past intentional discrimination against minority students.

Zambia-Israel Ties Resumed

LUSAKA, Zambia — Zambia and Israel re-established diplomatic relations on Monday after a break caused by the 1973 Arab-Israeli war.



Pro-choice activists in Buffalo, New York, on Monday, at an abortion clinic that was the scene of a clash with rival protesters.

Unflinching Eye of the Abortion Storm

By Ruth Marcus Washington Post Service

WASHINGTON — When Justice Harry A. Blackmun of the Supreme Court interviews lawyers applying for clerkships, there comes a point in the conversation when he brings up a delicate subject, something he fears could interfere with their working relationship.

"I've been somewhat controversial," the soft-spoken Justice Blackmun advises the applicant, according to a number of former clerks. "I wrote an opinion you may have heard of. It's called Roe v. Wade."

Any first-year law student — along with millions of Americans who do not have a day of legal training — is aware of Roe v. Wade, the 1973 ruling that established a constitutional right to abortion, and of Justice Blackmun's authorship of the decision, one of the most praised and most reviled in the high court's history.

Now, 19 years later, the justice is the sole member of the original Roe majority remaining on the high court — and the decision, in the assessment of the justice himself, teeters on the brink of extinction.

"The court hasn't dared to overrule it directly yet," Justice Blackmun said in a speech in October. "But the votes are there. The votes are there."

That could happen — in practical effect, if not explicitly — by the time the court recesses in July. On Wednesday, the court will take up a Pennsylvania abortion case that calls on the justices to explain what special constitutional protection, if any, remains for the right to abortion. Besides Justice Blackmun, only John Paul Stevens, who was named to the court by President Gerald R. Ford, has supported abortion rights.

The question illustrates the remarkable degree to which the 83-year-old Justice Blackmun has become personally identified with the ruling in Roe. "A lot of people have personalized this, thinking it's the work of the devil — to wit, me — forgetting there were seven votes for that opinion," the justice lamented in 1978.

Justice Blackmun drafted a memorandum on the abortion laws — one from Texas, another from Georgia — that were challenged in Roe and another pending case, "leaning toward the results that eventually were forthcoming," he said. He also called on the court to put off the matter until after Lewis F. Powell Jr. and William H. Rehnquist were confirmed to fill the two vacancies on the court.

The liberal Justice William O. Douglas vehemently objected. Justice Blackmun recalled, "I think now that he was concerned that the addition of two new justices and the passage of a summer might change the result, including my own attitude."

Justice Blackmun prevailed, and the case was set for reargument during the coming term. He set about preparing for it in classic Blackmun fashion: laboriously and agonizingly.

"That summer, I spent two full weeks in the medical library of the Mayo Clinic in Rochester, Minnesota," he remembered, adding: "I wished, furthermore, to study the history of our state abortion statutes, and I wished to ascertain the origin and acceptance of the Hippocratic Oath."

The oath forbids doctors to perform abortion. The opinion, with its announcement of a trimester framework for testing the legality of abortion law, spawned criticism from law professors of various ideologies, who found the outcome more one of legislative compromise than constitutional analysis.

It also triggered an avalanche of mail that continued to this day. The justice, who once estimated that 75 percent of the mail is critical of the ruling, reads much of it himself, replies to some, and likes to read from both the positive and negative letters at his speeches.

As he recounted the story in a 1979 speech in Paris, the justice was a reluctant author of the decision. When he and his colleagues conferred after the case was first argued in December 1971, he later recalled, "I accepted the assignment without enthusiasm."

Chief Justice Warren E. Burger assigned the case to Justice Blackmun, who later surmised that he had been given the case because of his interest in medicine — he had toyed with the idea of becoming a doctor — and his decade of experience as resident counsel at the Mayo Clinic.

Justice Blackmun has become personally identified with the ruling in Roe. "A lot of people have personalized this, thinking it's the work of the devil — to wit, me — forgetting there were seven votes for that opinion," the justice lamented in 1978.

His authorship of Roe made the private, reserved Justice Blackmun the lightning rod for the divisive national debate over abortion. He has been called, he once said, every name in the book — "Butcher of Dachau, murderer, Pontius Pilate, King Herod, you name it."

"Of course, it hurt at first," he said. "It doesn't hurt so much anymore, because I think one's hide gets a little thick."

Justice Blackmun, who declined to be interviewed for this article, is proud and fiercely protective of Roe. He has maintained, in the face of political and academic criticism, that the case was correctly decided, and he has become over the years an even more fervent advocate of abortion rights.

The father of three daughters, he has said that even "if it goes down the drain, I'd still like to regard Roe v. Wade as a landmark in the emancipation of women."

Flood Chaos Ebbs in Chicago Loop

CHICAGO — The Loop was returning to normal Monday as offices reopened and workers began the long process of draining water from flooded basements and tunnels in the business district.

Government officials reopened Monday for the first time in a week. But with its basement flooded, City Hall lacked hot water, heat and drinking water.

The flood forced about 200,000 people to evacuate scores of buildings, including the Chicago Board of Trade, where there was an unprecedented two-day shutdown in commodities trading.

The University of Illinois and the Federal Reserve Bank prepared a joint study estimating that the city lost \$1.5 billion in business because of the flood that began April 13. Total damage has not been determined.

A tunnel gave way under the Chicago River, and water poured through a turn-of-the-century underground delivery system once used to carry supplies to buildings. The system now houses electrical cables and transformers.

Tunnel drainage will be slow and careful, Mayor Richard M. Daley said. If the tunnel is emptied too quickly it could stress tunnel walls, weakening the concrete pilings or damaging building foundations surrounded by sodden earth, said

Lieutenant Colonel Stephan Smith of the Army Corps of Engineers. Engineers succeeded in blocking off the leaking section of tunnel late Saturday. They said the process of draining the 50-mile (80-kilometer) tunnel system could take 12 days.

Paper Won't Challenge Prize The Associated Press WASHINGTON — James S. Doyle, an executive of the independent newspaper Army Times, acknowledged that a Pulitzer Prize winner for Tuesday "did his own reporting" on the Gulf War and said he would not challenge the New York newspaper's award.

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+ Finland	9800-1-0284	Spain	900-99-0013
+ France	1950087	+ Sweden	020-799-011
+ Germany	0130-0013	+ Switzerland	155-9777
+ Guatemala	195	Taiwan	0080-14-0877
Hong Kong	008-1877	+ Thailand	001-999-13-877
+ Hungary	00800-01-877	United Kingdom	0800-89-0877
Ireland	00-801-15	+ Vatican City	172-1877
+ Israel	177-102-2727	Venezuela-English	800-1111-0
+ Italy	172-1877	Venezuela-Spanish	800-1111-1

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# Herald INTERNATIONAL Tribune

## 'Global Civilian Power'

Why is the Bush administration so wrothedly determined to see that Japan send troops overseas for the first time since World War II? Legislation to permit Japanese participation in United Nations peacekeeping operations like Cambodia or Yugoslavia has thrown Tokyo politics into needless turmoil and has spread anxiety through Asia. The likely answer is that the United States thinks the American public insists on such involvement as evidence of Japan's emergence as a global power.

Indeed, there is sentiment to that effect in Japan, too. But Japan has — and is demonstrating — better, nonmilitary ways to fulfill its international responsibilities. The alternative, which Yoichi Funabashi, a Japanese analyst, calls "global civilian power," points toward a humane internationalism to replace the militarized politics of the Cold War.

Japan's constitution, drafted under U.S. guidance after World War II, restricts military forces and activities. American occupiers wanted to ensure against renewed aggression. But they also understood that a new democratic political culture would be jeopardized if a strong military-industrial lobby re-emerged. Cold War concerns later led Washington to approve a home-based defense force, the Japan Self-Defense Agency. Tokyo's defense outlays have risen to some \$30 billion a year, ranking it among the world's top five spenders. That money sustains 250,000 troops.

The idea of using Japanese troops as UN peacekeepers comes from Japan, in response to American criticism. When Secretary of State James Baker visited Tokyo last year, he referred scathingly to "checkbook diplomacy." Japan had conscientiously contributed

\$13 billion to the Gulf War, but its support looked tardy, and therefore grudging. The Bush administration would like more visible solidarity, and shared physical risk.

Some Japanese politicians would like to oblige. But after the calamities wrought by Japanese militarism in this century, Japanese as much as other Asians fear building up Japan's military-industrial complex. Hence the compromise proposal for using troops but only in peacekeeping operations. Even that has proved more than Japanese public opinion can easily swallow. The peacekeeping legislation has repeatedly stalled.

Meanwhile, Japan presses forward with initiatives in foreign aid, environment and UN projects. It leads the world in providing development assistance. It is trying to overcome its poor environmental image with initiatives on air and water quality, rain forests and endangered species. It will be the main backer of the UN Conference on Environment in Rio de Janeiro. Its diplomats head the United Nations' refugee relief and Cambodia efforts.

Gaps remain. Japan's political leaders, hobbled by scandal and a sinking stock market, are too cautious. They underestimate Tokyo's influence in Asia by refusing to face up to Japan's wartime crimes. And they are too eager to please Washington with military gestures. The United States would do better to exploit a natural partnership between existing American military power and growing Japanese civilian power. As Americans look for ways to turn Cold War rigidities into constructive forms of international citizenship, they can look to Japan for some good ideas already put into action.

— THE NEW YORK TIMES.

## Deficit Down, Deficit Up

Although the U.S. trade deficit has been falling sharply, it is too soon to break out of the Champagne. One important reason for the especially good showing in the most recent figures is that the economy has been through a long recession and the demand for imports is down. But a recovery is now getting underway — and there is trouble ahead.

The big trade deficits of the past decade have been helping to finance economic growth in the United States — strange as that may sound — and the decline of the trade deficit diminishes this crucial source of financing. Any country can run a trade deficit only to the extent that foreigners will lend to it. When they lend, their money becomes part of the capital pool that provides funds for investment. The Bush administration has been carefully avoiding this relationship in its upbeat comments on the trade deficit, because it leads straight to a subject of great sensitivity at the White House: the other deficit, the one that the federal budget is running.

Two streams of money flow into the country's pool of capital. One is the private savings of American businesses and individuals, the other is money loaned from abroad. Two streams pour out of the pool, one into private investment and the other into the government deficits. Inflow has to

equal outflow. Now consider what has been happening to each of those four streams in recent years. Private savings rates have been falling since the 1970s and, since 1986, foreign investment has been falling as well — in the past year, very rapidly. The result is that the inflow into the capital pool is about a third lower than in the late 1980s.

While inflow has been falling, outflow to the budget deficit has been going up. That has left very little for investment. Low investment in a recession is normal. But as the recovery begins to gather momentum, businesses' requirements for capital investment normally rise very fast. This year it does not look as though the present supply of capital can accommodate much of a recovery — not with the federal deficit alone preempting two-thirds of the total net inflow.

What will happen? One possibility is that interest rates will go up. If that is the case, there will not be much of a recovery. With slow growth and with industry starved of new investment, the United States will be in danger of falling increasingly behind its competitors abroad while unemployment in America rises and social ills go unattended. It is not a happy prospect. But that is the price of too little private saving in a country that keeps running huge public deficits.

— THE WASHINGTON POST.

## A Good Compromise

In advance of Wednesday's abortion arguments in the Supreme Court, the U.S. Court of Appeals in San Francisco has handed down a ruling of its own. Striking down Guam's law criminalizing abortion, the court found that Roe v. Wade, the 1973 decision that now hangs in the balance, remains good law. A woman's right to choose remains a fundamental freedom.

That is the right starting point for this week's argument over a Pennsylvania law that does not outlaw abortions but oppressively regulates them. An appeals court in Philadelphia effectively pronounced Roe dead by upholding most of the Pennsylvania law. Abortion opponents, cheering the recent trend, and abortion rights groups, striving women to political action, also have been talking as though Roe were dead. Such strong pronouncements would end the debate before the justices can even begin it. They also serve to legitimize an illegitimate disavowal of a basic liberty — just because the composition of the Supreme Court has changed. They raise doubts that America has a government of laws, not men.

Roe was not a flight of judicial activism but a 7-to-2 decision joined by three justices appointed by President Richard Nixon. It recognized a right that, while not specifically named in the Constitution, is as securely imbedded as other enumerated rights. Nowhere in the Constitution is there the right to choose a marriage partner, or the right to send a child to private school, or the right to use contraception. But the court has recognized those rights, and Americans assume them. Five years ago, when Robert Bork forthrightly denied their constitutional basis, the Senate rejected his nomination to the Supreme Court.

Picky critics of Roe fault the Supreme Court for regulating from the bench by dividing pregnancy into trimesters, thus defining what is medically permissible in each three-month period. In fact, the court did no more than verify the obvious: The later the pregnancy — the closer a fetus is to becoming a baby — the greater society's interest in potential life and the greater government's right to regulate on behalf of fetal health. Even in hindsight, Roe is

an ingenious constitutional compromise.

To the Reagan and Bush administrations, a woman's right to make her own reproductive decisions has no more standing than, say, the claims of a finance company to be free of regulation. That leaves Pennsylvania free to obstruct getting an abortion. Under the Pennsylvania ruling, for example, the state would be allowed to confront women with graphic literature suggesting that abortions are murder. It could demand waiting periods that vastly complicate decisions. It could require women to swear that they have notified estranged or deserting husbands.

Worse, the Justice Department now suggests that the court feel free to let states impose a spouse's veto. Women have the right to be free of state control when they make this most personal of decisions. And both men and women ought to be free of a state-enforced spousal veto.

So personal and so basic is this right that the Supreme Court must continue to view laws like Pennsylvania's with suspicion. Only by reaffirming Roe v. Wade will the court do justice to America's judicial tradition of recognizing constitutional freedoms as they evolve.

— THE NEW YORK TIMES.

## Other Comment

### No End of an Afghan Lesson

Afghanistan is not a place for tidy solutions. Few countries have been the scene of such a staggering array of conquerors and cultures over the centuries. In the late 1970s, the Russians intervened to save a disintegrating client regime from the popular hatred which its hasty reforms and brutal repressions had drawn upon it. They left that regime weaker and more hated than ever. We can only hope that Kipling's lines on the Boer War will also be true of the recent Russian involvement in Afghanistan: "Let us admit it frankly as a business people should. We have had no end of a lesson, it will do us no end of good."

— The Hong Kong Standard.

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While the owners were absent, the servants of the people had a wild old party upstairs.

## When Your Former Proxies Become the Problem

By Leslie H. Gelb

NEW YORK — "Please do not have violence." So the State Department spokeswoman, Margaret Tutwiler, implored "our" Afghan rebels as they circled Kabul last week for the final kill of the "Soviet" government.

The plea sounded distant and lame. With the withdrawal of Soviet forces from that country three years ago and the collapse of the Soviet Union, the United States is long past really caring about Afghanistan. And with U.S. aid to the rebel victors will cause trouble for their neighbors. Some will try to band with the newly independent Muslim ex-Soviet states and imbue them with Iranian-style radicalism. Some might like to hand Iran a chunk of Afghanistan. Others might attempt to tear away a piece of Pakistan.

Even if the rebels work out a deal, mujahidin victors will cause trouble for their neighbors. Some will try to band with the newly independent Muslim ex-Soviet states and imbue them with Iranian-style radicalism. Some might like to hand Iran a chunk of Afghanistan. Others might attempt to tear away a piece of Pakistan.

As for the Angolan rebels and their boss, Jonas Savimbi, Washington provided them with hundreds of millions in dollars and weapons in a 20-year civil war where no one bothered to count the hundreds of thousands of victims. Mr. Savimbi's brutality was legendary, but Washington considered slaughtering Marxists forgivable.

Now, it seems, he has been murdering some of his own freedom fighters. While some of the deceased were members of his own tribe, they had the misfortune to be of another clan. The children of one of these unfortunates were also killed, their heads smashed against a tree. Asked for an explanation by the U.S. State Department, Mr. Savimbi said he was innocent.

But the sweet anti-Communist avengers to whom the United States gave secret succor were the Khmer Rouge. These Asian Nazis systematic-

ally killed at least a million of their Cambodian countrymen and turned hundreds of thousands into refugees. Officially, of course, the United States never helped them. But it did, in one way or another and particularly by winking at Chinese aid. After all, some of America's shameful leaders reasoned, the Khmer Rouge were the enemy of the Vietnamese, America's enemy and friend of the Soviet Union.

The Bush administration now shows good sense in opposing the Khmer Rouge and not helping the Afghan rebels and Mr. Savimbi in their final thrusts for power. With good sense also, the administration has stepped aside and virtually turned all three situations over to the United Nations. It will meddle less and more knowledgeably than America would. It is also the right group to arrange interim coalition governments, and peacekeeping forces to supervise cease-fires and elections.

But, inexorably, the United States dumps these responsibilities on the United Nations without giving it the necessary backing. Neither the administration nor Congress will put up sufficient funds for effective peacekeeping operations. Nor will the warring parties pay much attention to Washington when no U.S. aid is likely — even as a reward for good behavior.

The people of these sorry states will gaze with fear upon their new masters, America's old freedom fighters. And they will wince at Washington's lame plea, "Please do not have violence."

The New York Times.

## Russia-Ukraine Tension Could Hit Helsinki First

By Christoph Bertram

HAMBURG — Having just returned from Moscow, I am less worried by the future of Boris Yeltsin, which is uncertain, than by the coming crisis between Russia and Ukraine, which is certain. And since the rift between the two major successor republics of the former Soviet Union affects most aspects of any future European order, the West cannot afford to remain indifferent.

The first victim of Russian-Ukrainian tensions would be the Conference on Security and Cooperation in Europe, the process that began in Helsinki. This club of 51 states, all of them European except for the United States and Canada, intends to formulate a new arms control agenda at a summit meeting in early July.

But the old agenda must be completed before the new one can be launched. Unless there is agreement on the CFE treaty to limit conventional forces in Europe, signed in November 1990 but delayed by the death pangs of the Soviet Union, European arms control will be blocked.

In coming weeks the successor republics of the Soviet Union, notably Russia and Ukraine, will have to

agree on respective ceilings for their major weapons systems. If they do not — and this is becoming more likely by the day — there will be no CFE treaty and no Helsinki.

Russia and Ukraine have played a dangerous game of chicken in the nuclear field. After first agreeing to dispatch all tactical nuclear weapons on its soil to Russia, Ukraine later stopped the shipments. It has been unwilling to agree — with Russia, Belarus and Kazakhstan, the other nuclear heirs of the Soviet Union — on the appointment of cuts in the START treaty. Ukraine says it has renounced tactical nuclear weapons, but until the START matter is sorted out, all the talk of deep nuclear cuts will remain empty promises.

The reason for the Russian-Ukrainian deadlock is not military but territorial. Days after the August 1991 coup attempt, Boris Yeltsin questioned some of the borders between the republics. Many Russians today speak openly about regaining the Crimea, handed to Ukraine by Nikita Khrushchev in 1954 when it did not

matter, but now part of the "sovereign territory" of independent Ukraine.

As long as there is no firm, unequivocal commitment by Russia to respect Ukrainian borders, Ukraine will seek as many bargaining chips as possible, from the Black Sea Fleet to the other arms of the old Soviet Union, conventional and nuclear.

With nationalist fervor growing in both countries, the chances for a reasonable outcome are becoming dimmer by the day. Still, there are reasons for hope. The first lies in Russia's self-interest. Fostering tensions with Ukraine will isolate Russia in Europe and the world. To sort out the differences should be Moscow's top foreign-policy priority.

A growing number of experts in Moscow seem to see that point. "We have given all the wrong signals to Ukraine," one of them complains. Another expert wonders why Russia cannot simply give up the Black Sea Fleet, since it is no longer of relevance to security, only to prestige.

Yet prestige is a precious commodity in a Russia which daily feels the

## Peru's President Plays Into the Guerrillas' Hand

By Jorge G. Castañeda

BERKELEY, California — Beyond the question of principle there are two additional reasons for bemoaning the interruption of democratic rule in Peru. They have to do with the strategy of Sendero Luminoso (Shining Path), the ostensible adversary invoked for the necessity of the coup, and the effects of unrestrained free market mechanisms on the shantytown population of Lima.

Sendero Luminoso has many peculiar features distinguishing it from traditional Latin American guerrilla movements. One of them is its ideological steadfastness. But they were an institutional constraint on unfettered application of the draconian free market policies that Mr. Fujimori has sought to implement.

This constraint was not enormously effective; living standards in Peru have continued to drop since Mr. Fujimori took office, and the "Fujishock" has spared hardly anyone. But the absence of institutional restraint will certainly enhance the temptation to take these measures to their extreme.

Throughout the Western Hemisphere, the economic crisis of the 1980s and the remedies applied thereafter have hit the urban poor hardest. In Venezuela, food riots in 1989 and sympathy for the military in 1992; in Brazil, urban delinquency on an unimaginable scale; in Mexico, the eruption of a street peddler economy — all of these are the desperate cries of the new majority in Latin America: the urban, excluded poor.

For all practical intents, Sendero Luminoso is the first guerrilla military organization in the hemisphere to acquire a mass base among the urban poor on a relevant scale. Many have tried; the only others that succeeded to some degree were the Sandinistas in 1979, but just before their overthrow by Anastasio Somoza, and the Popular Liberation Forces in El Salvador.

Partly through coercion, partly as a result of a mass migration from the Ayacucho highlands to Lima in the last 15 years, partly because of the immense misery and increasing marginalization of the teeming millions of *cholas* in Lima's shantytowns, Sendero Luminoso has built a constituency of the urban destitute.

The unconstrained intensification of free market policies will only drive more people into its death grip. It is one thing to impose that type of transformation on a defeated, demor-

alized opposition, as in Chile after the 1973 coup; it is quite another to attempt it against an armed, self-sustaining, financially independent and extraordinarily disciplined one like Sendero Luminoso.

In the long term, the unfettered application of those policies might have transformed Peru for the better. Thanks to Sendero Luminoso and Mr. Fujimori's reckless gamble, there may not be a long term.

The writer, a professor of political science at the National University of Mexico, is teaching this semester at the University of California, Berkeley. He contributed this comment to the Los Angeles Times.

humiliation of defeat and disarray. Will Russia understand that whatever the cost of befriending Ukraine, it is a price worth paying?

The other, more promising chance lies with the West: It has to make clear to Russia that respect for state borders is a fundamental rule of the Helsinki club, of which it is now a member, and to Ukraine that it cannot hold up the process of conventional and nuclear arms control.

The West was premature in admitting the successor states to the Soviet Union so rapidly into the CSCE and into NATO's Cooperation Council, instead of laying down conditions for membership. This makes it more difficult to exert pressure on Moscow and Kiev to mend their ways.

But it is not impossible. Both countries, after all, aspire to closer links with the West. Both must be told now in no uncertain terms that these cannot be had if the quarrel between them holds arms control at ransom.

The writer is diplomatic correspondent for the German weekly Die Zeit. He contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1892: 'Smooth Relations'

BERLIN — The United States Minister, Mr. Phelps, to-day [April 20] gave a denial of the rumors that he had been meddled in San Domingo matters, and that there had been some unpleasantness between the United States and Germany. "I decline to treat the reports seriously, they are too absurd. Nothing could be more than the relations between Germany and the United States. There have been no hot words, no quarrels of any kind. I am not inclined to believe in the virtual acquisition of San Domingo by Americans."

### 1917: The Turks Routed

LONDON — General Maude telegraphs details of the latest operations in Mesopotamia: "Our troops forced their way across the Chab-el-Adhem in the night of April 17. The river was defended by the Eighteenth Turkish Corps. The next morning we attacked the principal position of

## Heading Off Without The Others

By Hobart Rowen

WASHINGTON — Arrogance is not a commodity in short supply on the international scene, but America's partners complain that no one can top recent insensitive performances by President George Bush and Treasury Secretary Nicholas Brady on economic issues.

This comes at an awkward moment, just ahead of international meetings in Washington next week when the major nations will need to hammer out a game plan to avert a possible global recession.

The squabbling hit a peak when Mr. Brady went to Budapest on April 13 for the first annual meeting of the new European Bank for Reconstruction and Development. The bank was set up a year ago to promote private enterprise in the former Soviet satellites, and is just getting loan operations under way. The United States, with 10 percent, has the largest stake in the \$13 billion bank, but it clearly is a junior partner in a distinctly European venture. That contrasts sharply with America's role in the World Bank and the IMF, where its roughly 20 percent share gives it veto power.

When Mr. Brady discovered only 48 hours before the Budapest meeting that the bank's president, Jacques Attali, intended to propose a broadening of its role to include subsidized loans for long-term economic development, he hit the ceiling. Abandoning diplomatic niceties, he sharply and publicly rebuked Mr. Attali, and it ought to stay within that mission," he said. "Jacques Attali has a lot of energy and a lot of drive, and that's very good. However, everybody can't do everything."

For long-term development loans, Mr. Brady said, an agency already exists, the World Bank. The European Bank, he added, "must remain what it was set up to do — help the private sector in the East."

Behind this wrangle lies a hard political reality for the richer countries of Europe: The collapse of the Soviet empire and poverty in Eastern Europe threaten to overwhelm Western Europe with a wave of immigrants. One way to limit the inflow, many Europeans feel, is to boost development in the poorer countries.

Mr. Attali, a French politician close to President François Mitterrand, is an arrogant man in his own right, a zealot pursuing a goal of uniting all of Europe, including the former Soviet states, into one huge economic and political bloc. Clearly, he sees the European bank evolving into something much bigger than a mere spur to the private sector. He thinks it should play a role in slowing immigration.

A high European official acknowledged that there is not full agreement among the European countries that control the bank on Mr. Attali's positions. But these are decisions "on which Europe can compromise without Mr. Brady's help," he said.

"How would you like it if you were trying to slow down Mexican immigration into the United States by helping to build up the Mexican domestic economy. And we, as a junior partner in a Latin American development bank, came along and advised to slow down the leading success? You would tell us to go to hell!"

An earlier example of U.S. behavior that infuriated Japan, and everyone in Europe (except the Germans), was Mr. Bush's decision, negotiated with Chancellor Helmut Kohl, to announce a \$24 billion aid package to Russia and the former Soviet states on April 1, before Japan and the European states agreed to final details.

One element in the \$24 billion package was a \$6 billion payment from a special pool of money known as "the General Agreement to Borrow" or GAB, to build a "stabilization fund" for the ruble. Mr. Bush neglected to get a commitment to spend that money from Switzerland, Sweden and other countries that control it. "We have the feeling," one of the smaller contributing partners said, "that Bush wanted to use the announcement out before Bill Clinton's speech on the same subject."

Japan has a collateral reason to be angry: Before being pinned down by a Bush-Kohl commitment to aid Japan, Tokyo would have liked assurance that Boris Yeltsin would return the Kuri Islands, a commitment to spend that money from Switzerland, Sweden and other countries that control it. "We have the feeling," one of the smaller contributing partners said, "that Bush wanted to use the announcement out before Bill Clinton's speech on the same subject."

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The former U.S. request to all the GAB countries involved did not come until the weekend after Mr. Bush's April 1 speech. Until now, the funds have been allocated as emergency stopgaps only for the 11 countries in the pool. To plan a first-time diversion to a nonmember is a departure that clearly warranted more discussion.

The Washington Post.

OPINION

That Strike on the Israelis Nearly Saved Bandarbus

By William Safire

WASHINGTON — Ambassador Bandar ibn Sultan may only be a prince in Saudi Arabia, but he has become the King of Washington.

When the Saudi prince says 'Jump,' Bush asks 'How high?' Today, 'high' equals 72 top-of-the-line U.S. attack jets.

regime, lest Iran gain sway in the Gulf. America's geopolitical babe, in the words dutifully advised Mr. Bush to let the Kurdish-Shiite uprising be crushed.

Letters intended for publication should be addressed 'Letters to the Editor' and contain the writer's signature, name and full address.



LETTERS TO THE EDITOR

To Forgive, but Not Forget

There is a distinct note of penitence in Werner Hoyer's column "Don't Look for Hitler Everywhere" (Opinion, April 11).

While mainstream American journalism may not deserve being called "sensational," it has become increasingly trivialized, infected by a "sound bite" approach to covering the issues.

DAVID R. SEXSMITH, Buckinghamshire, England.

Mr. Hoyer misses his mark when he says that to link the Kohl-Waldheim meeting to memories of Hitler reinforces outdated stereotypes.

WALTER S. KRAMER, Rockville Center, New York.

Covering the Campaign

Regarding "The Last Obstacle to Clinton's Quest" (March 25): The International Herald Tribune has exhibited signs of bias toward Bill Clinton.

The above-cited piece by The New York Times refers to Jerry Brown "flailing about" and "spewing out" charges.

After Mr. Brown's remarkable victory in Connecticut, a Washington Post story failed to call the vote what it was — an upset victory by Mr. Brown — speaking instead of what Mr. Clinton must do to win "a convincing victory" in New York.

On your cartoon page, Garry Trudeau has been lampooning reporters for their fawning attitude toward Mr. Clinton.

CLAYTON VERNON, Boulogne-Billancourt, France.

Regarding "Campaign Basics/George Bush" (April 4) by Paul F. Horvitz: Your profile says "Age 67. Attended Yale University, President since 1989."

Deborah Tannen is right. Men and women are not the same. If we want to complement each other, if we women want to raise our dignity, we should cultivate our natural inclinations.

ARLENE AVILA, Quezon City, Philippines.

In the German Synagogue, I Suddenly Felt the Hole

By Robert B. Goldman

NEW YORK — Fifty years ago this spring, the trains began to roll eastward, their freight cars filled with German Jews.

It was also 50 years ago this spring that many Jews were deciding to end their own lives — hundreds of them just in my

hometown of Frankfurt. Their graves, most of them dated between May and July 1942, line the central walk into the Jewish cemetery.

I have to walk through that grimy aisle to visit the grave of my maternal grandmother, who threw herself from a fifth-story window in February 1935.

We all know what the Wannsee decision meant for six million European Jews. But the German Jews were the first victims. And theirs was a horrid irony of fate: they, or the vast majority of them, believed that they had irrevocably crossed the threshold into the world of assimilation.

These thoughts began to swirl in my mind after my first visit to a German synagogue since my parents and I fled in the spring of 1939.

But I was in Bonn on Nov. 9, the anniversary of Kristallnacht. This time, 53 years after our synagogue on Frankfurt's Börnplatz had burned to the ground, I decided to go, for it was a Sabbath.

It is a small, modest but tastefully appointed house of worship, across from the Foreign Ministry, where I had held meetings the week before.

Our heroes, models or father figures had been Heine and Mendelssohn, Kafka and Einstein, Freud and Mahler, Max Reinhardt and Max Liebermann, Bruno Walter and Rudolf Serkin.

and Israelis, were relatively young. The service began. The cantor's Hebrew had an East European accent. One younger member of the congregation read the prayer for the country, as is customary in synagogues throughout the world.

As I walked back to my hotel, alone and gladly so, the memories rushed in: of that morning in 1938, when the synagogues were just glowing embers and the police and SS came to arrest my father and smash up our apartment.

Mr. Brandt said then that what the Nazis had done had left a hole in Germany, in German culture and German life, that could never be filled, no matter what Germans might accomplish in decades to come.

Walking toward Bonn's center, I thought of Alice Tully Hall and the chamber music auditoriums at the Metropolitan Museum and the 92d Street YMCA in New York.

But that is gone — as are most of us. Those of us who remain in Tel Aviv, New York, Melbourne, São Paulo — virtually all over 70 and who experienced German-Jewish life before and during the early '30s — are the dwindling remnant of a great culture.

Our heroes, models or father figures had been Heine and Mendelssohn, Kafka and Einstein, Freud and Mahler, Max Reinhardt and Max Liebermann, Bruno Walter and Rudolf Serkin.

Willy Brandt was right. And I never felt that hole as starkly as I did Nov. 9, 1938.

International Herald Tribune.

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# With Revolt Fading, Israel to Let Arabs Reopen a University

By William Schmidt

**JERUSALEM** — As a sign that life in the occupied territories is returning to more normal rhythms following four years of the Palestinian uprising, Israeli officials said Monday they would allow the reopening of Bir Zeit University, the last Arab university still closed by military order.

General Danny Rothchild, the coordinator of activities for the Israeli Defense Ministry in the occupied territories, told university officials that students in the school's science and engineering department could return to classes on April 29 and that the rest of the university would reopen during the summer semester.

In an interview, General Rothchild said the decision to open Bir Zeit reflects what he described as a "quieter" situation in the occupied territories. He suggested that the force of the uprising, known as the *intifada*, appeared to have spent itself.

Regarded as a center of the Palestinian nationalist movement, and the focus of sometimes violent clashes between students and soldiers, Bir Zeit had an enrollment of about 2,600 when it was closed in January 1988, only weeks after the uprising began in December 1987. Over the last two years, Israeli officials have gradually reopened five other universities in the occupied territories that also were shut during 1988 as a result of protests.

## Jerusalem Journalists Protest Aide's Jailing

**JERUSALEM** — The Foreign Press Association here and the London-based World Television News protested Monday the jailing of Majdi Arabain, 28, a Palestinian working for the television agency. He has been held since March 12, when Israeli troops detained him while he was filming a clash between soldiers and stone-throwing Palestinians in the occupied Gaza Strip. The police said the case was still being investigated. Earlier, the army accused him of incitement and later said he was not properly accredited.

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At its peak, the closures affected an estimated 14,500 students. The other universities are in Bethlehem, Hebron, Nablus, Jerusalem and Gaza.

Dan Naveh, a spokesman for Defense Minister Moshe Arens, said with the reopening of Bir Zeit, "the education system in the territories is now back to normal, and this was the point of Mr. Arens' policy when he took over as minister two years ago."

Mr. Arens met with university officials on Sunday to work out the agreement for reopening the school.

Officials at Bir Zeit said they were pleased with government decision, although disappointed that the opening of the university is being done in phases rather than all at once. Only about half the student body will return when the engineering and science departments resume classes later this month.

"We hope this concludes the ugly chapter of closing universities," added Albert Aghazarian, a spokesman for Bir Zeit. "We hope that education will not be criminalized any more."

Over the past year, as many as 2,000 students have been studying off-campus in buildings in nearby Ramallah and Jerusalem. At one point, university officials noted, Israeli security forces complained that they discovered what they described as "cells" of illegal education.

In recent years, there has been growing pressure on Israel from the United States and human rights organizations to relax restrictions on Palestinians living in the occupied territories, including pleas to reopen the universities.

The announcement by Israeli officials that they are reopening Bir Zeit comes during a period of relative calm. "In previous years, we have not had such a quiet period over the holidays, touch wood," said Mr. Naveh, referring to the Passover and Easter celebrations, which have drawn 80,000 tourists.

In recent months, the *intifada's* grip on the occupied territories appears to have been loosening. Leaders of the uprising have eased back on calls for general strikes, shops have been allowed to remain open longer and a boycott on Israeli products has been relaxed.

According to the military, there were 2,940 incidents of civil disturbance recorded in the territories last month, compared to 3,643 for the same period in 1991, and 6,150 in 1990.



Afghan Army troops who switched sides to join the rebels riding in a convoy of personnel carriers Monday on the outskirts of Kabul.

# KABUL: UN Envoy Sees Wide Backing for a Government of Mujahidin

(Continued from page 1)

stan," he said. "All parties should stay where they are at this time, silence their guns, and give peace a chance."

"We are almost there," he said of the peace efforts, adding that "no Afghan should try to hijack the process."

Mr. Sevan appeared to back away from an earlier UN-supported formula for a 15-member interim council of prominent neutral Afghans to preside over a transition to a new government.

That idea apparently is rapidly being overtaken by events as disaffected Afghan Army and militia commanders form alliances with mujahidin guerrillas to take over control of towns and military installations.

"We're not saying you have to adopt the United Nations proposals," Mr. Sevan said. "We have no emotional attachment to any particular idea. If the Afghans want to have a mujahidin government, it is entirely up to them."

"There seems to be wide support for that idea," he said. Mr. Sevan said the composition of such a government was under negotiation.

From his heavily fortified stronghold 65 kilometers (40 miles) north of the capital, Ahmed Shah Masoud, a guerrilla leader, has pressed a demand that the formerly Communist administration in Ka-

bul cede power to a government made up of Muslim rebel forces. Mr. Masoud, the 39-year-old mujahidin commander who has emerged as the major figure in the Afghan power struggle, discussed his demands in negotiations on Sunday. Foreign Minister Abdul Wakil said, Mr. Wakil acknowledged for the first time that a mujahidin government was now a real possibility.

Much of what is going on in this rugged, landlocked country remains shrouded in hazy negotiations and complex maneuvering among different factions. But it now appears clear that the last of a series of Soviet-allied, Communist governments that have wielded power since 1978 is gradually being dismantled as the result of guerrilla actions and a behind-the-scenes military coup last week that deposed President Najibullah.

In some of the latest takeovers of cities previously held by forces loyal to Kabul, Kandahar fell Saturday to a coalition formed by the

local military commander and a mujahidin leader connected with Mr. Masoud. And the town of Gardez south of the capital was taken over Sunday by the area's army commander in a deal with another rebel faction, government officials said. No fighting was reported in either takeover.

The rebels claimed they took control of the strategic town of Jalalabad and eastern Nangarhar Province on Sunday. Reuters reported. But travelers arriving by bus from Jalalabad said the rebels had only surrounded the city and government officials were negotiating to try to prevent an attack.

At military installations about 40 kilometers southeast of the Kabul, troops waited Monday to welcome their former enemies and seemed amenable to forming new coalitions with them.

"The basic reason is that we're tired of war," said Captain Mohammed Usman, an officer at a hillside battalion headquarters at Tangi Sarobi on the road to Jalal-

abad. "So we're asking each other and we're asking the mujahidin, 'What are we fighting for? What's the point?'"

He spoke in a small mud hut crammed with coats and weapons as soldiers in civilian clothes manned a checkpoint, armed with grenade launchers and assault rifles.

In Kabul, calm has returned to the city of 1.5 million people after a series of skirmishes on Saturday raised fears that a battle for the capital was imminent and prompted the evacuation of some UN personnel.

Mr. Masoud has sought to ally such forces, evidently preferring to negotiate the fall of Kabul rather than fight a costly battle for it.

He said his forces were now in a position to drive into the city, but that doing so would exacerbate differences among rival ethnic groups and prompt his main guerrilla rival, Gulbuddin Hekmatyar, to try to send his own Muslim fundamentalist Islamic Party faction into Kabul as well.

# ABORTION: After Court Ruling, Debate Will Shift

(Continued from page 1)

v. Wade the issue may come to life politically and hurt the re-election chances of President George Bush, who ran for office in 1988 on a pledge to select judges who would restrict the right to abortion.

That criterion for selecting judges now a plank in the Republican platform, is almost certain to be hotly fought over at the national convention in Houston this summer.

The lawyers handling the Pennsylvania case for the abortion rights side appear to view it as a vehicle for addressing a wider public beyond a court assumed to be unresponsive. They look to the court to be not so much an audience as a foil, an instrument through which the public will be galvanized into protecting at the polls the right that is withering in the courtroom.

Roger K. Evans, director of litigation for the Planned Parenthood Federation of America, recently described the audience for his arguments as "the 10th justice, the American people."

In similar fashion, the anti-abortion side is locking past the day in late June or early July when the court announces its decision. "That's when our hard work really starts," said Robert A. Destro, a law professor at Catholic University in Washington and an author of several briefs filed by Americans United for Life.

The movement's effort "to get the Supreme Court out of the way" is only a first step, he said. Once that is accomplished, "our job becomes not just convincing five justices but convincing governors, legislators and voters." Mr. Destro said, adding "The pro-choice side would like to declare defeat in this case and our side would like to declare victory. We may both be hampered by ambiguity."

The ambiguity inherent in the case, *Planned Parenthood v. Casey*, is the result of several factors: the state law, the makeup of the court and the process of constitutional decision-making.

As with many other constitutional doctrines, *Roe v. Wade* established not so much a set of absolutes as an analytical framework that defined the permissible realm of state abortion regulation.

The court's definition of abortion as a "fundamental" right meant that any restriction on abortion would be subjected to "strict scrutiny" and would be found unconstitutional unless it served a "compelling state interest." With that framework obviously crumbling, the question in this case is how far the court will go in dismantling it.

Pennsylvania's Abortion Control Act was drafted and passed in 1982 and 1989 for the purpose it is

now serving: to challenge the framework at its most vulnerable point. Several of the provisions are identical to an earlier version of the law that the court declared unconstitutional by a 5-to-4 vote in 1986.

To the law's sponsors, that narrow margin was evidence that even if the court was not ready to uphold a law making abortion a crime, it would look favorably on the types of regulations that solid majorities had rejected in the late 1970s and early 1980s.

The Pennsylvania law, which was stayed pending the high court decision, requires a woman to wait at least 24 hours for an abortion after a doctor provides her with specific "informed consent" information, including detailed descriptions of fetal development at two-week intervals and a list of agencies offering "alternatives to abortion."

For a minor, the law requires the consent of one parent who must join the teenager in an "informed consent" counseling session at least 24 hours before the procedure. Married women must certify that they have notified their husbands of a planned abortion, with up to a year in jail as the penalty for a false certification.

Even a narrow ruling, upholding only the provisions of the Pennsylvania law, would require the court to repudiate decisions from 1986 and 1983 that struck down waiting periods and "informed consent" requirements. This is a step the court is almost certain to take.

Three members of the 5-to-4 majority that struck down Pennsylvania's last abortion law in 1986 have since retired. One of them, Justice Lewis F. Powell Jr., was succeeded by Justice Anthony M. Kennedy, whose vote in the *Webster* case indicated his willingness to uphold broad abortion restrictions.

The other two, Justices William J. Brennan Jr. and Thurgood Marshall, were replaced by Justices David H. Souter and Clarence Thomas, who have yet to vote in an abortion case. Justice Kennedy's vote alone should provide Chief Justice William H. Rehnquist and Justices Byron R. White, Sandra Day O'Connor and Antonin Scalia with the margin they need to overturn the rulings against the waiting period and informed-consent requirements.

The only justices certain to vote for retaining these precedents are Harry A. Blackmun, the author of *Roe v. Wade*, and John Paul Stevens.

# SMELL: When Fungus Is Not Fun

(Continued from page 1)

there are now about 200, said James J. Ciavocchi, chairman of the American Mushroom Institute, a trade group here.

Most remaining farms are major operations, and in recent years some, including the one in London Grove, a township next to West Grove, have begun to specialize in manufacturing the pasteurized compost that serves as growing soil.

Growers now use more than a pound of compost to produce every pound of mushrooms. That means the landscape is dotted with tall piles of fermenting compost, made from thousands of tons of horse and chicken manure, moldy hay, corn cobs, cocoa bean hulls, cotton seed hulls and orchard grass.

Materials, in other words, that can send an allergic person into a sneezing fit.

And as the materials decay, they release a fog of ammonia and sulfur compounds, which can cause a variety of ailments, according to a 1991 analysis of mushroom compost by the Federal Centers for Disease Control: breathing problems, headaches and increased susceptibility to upper respiratory infections.

West Grove residents say their problems began in 1988 when a company called Hy-Tech Mushroom Compost bought a farm in London Grove and began manufacturing hundreds of tons of compost for sale to mushroom growers.

# Japan May Put Off Plutonium Plans

The Associated Press

**TOKYO** — The head of a nuclear power development program said Monday that Japan may put off plans to use a special reactor to produce plutonium, the material used in both power plants and nuclear arms.

The statement, by Takao Ishiwatari, president of the Power Reactor and Nuclear Fuel Development Corp., was the first sign Japan may be moving away from its plan to begin producing and importing tons of the material. Critics contend Japan could build a dangerous stockpile of plutonium.

Mr. Ishiwatari said nuclear arms reduction plans by the United States and the former Soviet Union may create a surplus of plutonium and reduce the need for Japan to begin making its own.

But he reaffirmed his commitment to Japan's plutonium-powered nuclear program. Japan's commercial nuclear industry is the only one to rely mainly on plutonium fuel rather than on enriched uranium.

Mr. Ishiwatari said a \$4.5 billion prototype fast-breeder reactor — which yields more plutonium than it uses — could be refueling plant rather than plutonium producer.

Nuclear experts, however, say fast-breeder reactors have no special use beyond making plutonium. The plant is scheduled to go into operation this year.

Controlling plutonium has become a key concern of the United Nations since the breakup of the Soviet Union and allegations of se-

cret nuclear weapons programs in Iraq and North Korea.

Since India exploded a nuclear bomb in 1974 built using plutonium it recovered from a research reactor, international pressure has been growing to abandon plutonium for commercial use. Washington adopted such a policy in 1977.

Japan, and to a lesser extent France and England, are the only industrialized nations that continued to push fast-breeder reactors.

In August, Japan's atomic energy commission approved a plan to increase the use of plutonium and rely less on uranium. Under the plan, 80 to 90 tons of plutonium would be used by the year 2010 by about 12 reactors currently operating on uranium and by fast-breeder reactors.

Critics doubt that much will be needed. Japan already has 30 to 40 tons coming from reprocessing plants in Europe, where plutonium is extracted from used uranium fuel rods. Another 60 tons is expected from Japanese reprocessing plants into the next century.

Mr. Ishiwatari also said Japan would use U.S. satellite surveillance to help ensure safe passage of a freighter scheduled to carry nearly a ton of plutonium from France to Japan later this year.

The shipment, guarded only by a specially armed coast guard cutter, has aroused controversy abroad because of fears that the plutonium could be lost to terrorist attack or an accident during the 27,000-kilometer (16,800-mile) journey. One ton of plutonium is enough to build 100 to 150 nuclear weapons.

# IRAQ: U.S. Ignored '89 Warning

(Continued from page 1)

Department of Energy resorted to concentrate on the Iraq issue," Mr. Walsh wrote in a letter of non-concurrence. "However, we are uncomfortable with a secretarial-level initiative." He later told Congress that he felt the warning was "overstated."

Mr. Siebert was upset. On May 11, 1989, he wrote an aide, John M. Rooney, that the intelligence unit was ignoring the evidence, adding that the time to stop the Iraqi bomb program "is now."

Just where the initiative died is unclear. Mr. Gilbert told congressional investigators that he believed that he had informed his boss, Troy E. Wade 24, the assistant secretary for defense programs, of the initiative and that it had stopped in that office because of the intelligence veto.

But Mr. Wade, who left the department in July 1989 and is now president of AWC Inc., a division of Lockheed based in Las Vegas, Nevada, denied any knowledge of the affair. "I honestly don't remember any specific initiative tied to Iraq," he said.

Mr. Siebert was undaunted by the lack of support. In early 1990 he began a push, with midlevel State Department officials, to alert Western allies to the nuclear proliferation danger.

This effort recently led 27 nations to adopt a common list of dual-use items as a guide for controlling exports. The State Department hailed the step as "the most important export-control initiative of recent years," adding that it "will greatly assist in our efforts to halt the spread of nuclear weapons."

But Mr. Watkins, who became energy secretary in March 1989, just before the warning was shot down by subordinates, distanced himself from the episode. In a letter to Mr. Dingell, he said he had reorganized the department's intelligence arm after he found during his first months as secretary that it was not effective, not respected and not responsive to departmental needs.

Today, Mr. Siebert heads the Energy Department's office of classification, having lost his technology policy and export-control duties after the Gulf War.

control the worldwide spread of bomb manufacturing equipment.

The key official who raised the alarms was A. Bryan Siebert Jr., a career civil servant in his 40s. In the late 1980s, Mr. Siebert was the Energy Department's leading authority on the spread of bomb-making technology, particularly so-called dual-use items that have both civilian and military uses, such as advanced machine tools and electronic parts.

A lawyer who attended Harvard University for advanced training in physics, Mr. Siebert headed the Energy Department's Office of Classification and Technology Policy, where he oversaw some 50 employees and had responsibilities for export control. He grew worried about a pattern of clandestine Iraqi purchases that, he later told Congress, "gave me the willies."

Current and former federal experts said a key reason for Mr. Siebert's worry was Iraq's purchase of European parts for making gas centrifuges, which enrich uranium for a bomb's explosive core. American intelligence agencies were able to monitor those purchases and routinely passed that information to the Energy Department, the experts said.

From buying patterns, it was clear the Iraqis were building centrifuges based on the designs of a European consortium known as Ureco, including its models G-1, G-2 and G-3. The company's machines are considered the world's best.

UN inspectors, working in Iraq after the war, say they have found thousands of centrifuge parts that appear to be based on Ureco designs, as well as much advanced gear for making centrifuges. The vast majority of this equipment would have been blocked by the export-control initiative.

In early 1989, alarm bells also went off when Mr. Siebert's office learned that Baghdad was trying to buy special palm-size capacitors from CSI Technology in San Marcos, California, that could be used to trigger a nuclear weapon.

In a bomb, such capacitors generate 5,000 volts of electricity to fire the conventional explosives that surround a uranium sphere, compressing it and starting a nuclear chain reaction.

The specifications of the capacitors, Mr. Siebert told Congress, "match up practically one to one with U.S. nuclear weapon systems, the B-61, W-56, W-57, W-89 and W-90," which include the nation's most modern warheads. The similarity, he added, was "just sickening in regard to the degree to which that posed a threat."

At this point, in early April 1989, Mr. Siebert and his aides were convinced, on the basis of technical clues, that Baghdad had embarked on a major effort to build an atomic bomb as rapidly as possible.

Over the weekend of April 15 and 16, Mr. Siebert and his deputy, Roger K. Heusser, as well as two other aides, wrote an urgent memo to Energy Secretary James D. Watkins, laying out the evidence and arguing that a plan for the tightening of international export controls should be put before Secretary of State James A. Baker 3d for a review of the issue under the National Security Council.

On April 17, Mr. Siebert sent the memo to his boss, F. Charles Gilbert, the deputy assistant secretary for security affairs. Because of the timeliness of the intelligence data, Mr. Siebert said in a cover note, "we need to get this to the secretary shortly."

Mr. Gilbert felt it was important, he later told congressional investigators, but before sending it up the line he asked for concurrence from a colleague, the deputy assistant secretary for intelligence, Robert J. Walsh. No approval was given, even after the memo was extensively rewritten and a separate report added on Baghdad's bid for centrifuge parts.

"It may be worthwhile to apply

LIBYA: Syrian Challenge (Continued from page 1) get military equipment, for which they can no longer count on the Soviet Union.

And Syrian officials have been further angered by reports from Washington that Damascus illegally received U.S. military equipment from Saudi Arabia and sent missiles from China. They see a campaign to weaken Syria, while providing large amounts of aid to Iraq.

"The Syrians believe they did a lot and were never met halfway," a Western diplomat said. "They expected a lot more from the United States, and being let down was no reason not to back Libya."

Suspect in Bombing A Syrian drug dealer with ties to Mr. Jebrell may have planted the bomb on Pan Am Flight 103, Time magazine has reported.

In its current issue, Time said it had obtained an FBI field report from Germany saying that Mohamed Khassari, a Syrian drug dealer, may have placed a piece of luggage containing a bomb aboard the Boeing 747 in Frankfurt in December 1988.

At the time, Mr. Khassari was cooperating with the U.S. Drug Enforcement Administration in a "sting" operation but also working with Mr. Jebrell, Time said.

A four-month inquiry conducted by Time fixes the blame on Mr. Khassari, who it said was being allowed to smuggle drugs into the United States in return for his promise to obtain the release of six U.S. hostages in Beirut. (AP)

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# Ex-Soviet Peddlers' Magic Carpet Ride to Turkey

By Blaine Harden  
Washington Post Service

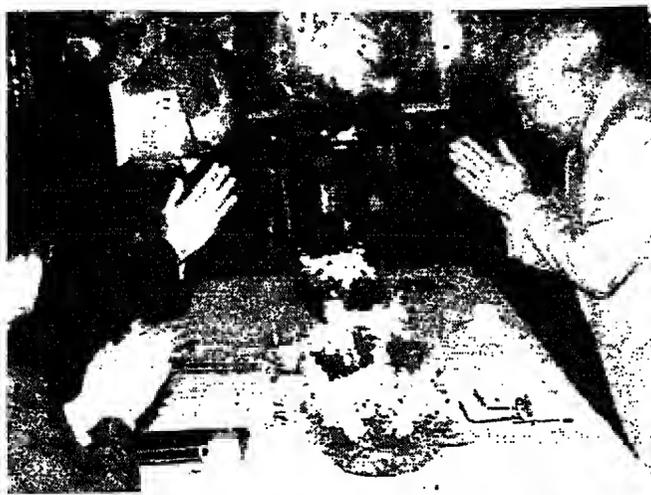
ISTANBUL — Dirty, unshaven and more than a bit miserable, Arif Ahmet Oglu trudged the corridors of the Grand Bazaar here, bearing old carpets in his arms.

bul's largest bazaar, he was here to offer up his grandmother's carpets in the Turkish marketplace.

The crestfallen Georgian sighed, shouldered his burden and moved on.

Now is the time to make money. But the quality is always had. They don't know what they are selling.

And yet, since the Soviet Union splintered, according to several candid carpet merchants in Turkey, thousands of bedraggled travelers from the Caucasus and Central Asia have stepped off buses in Istanbul with superb antique carpets.



Mr. Butros Ghali, left, exchanging greetings Monday with Prince Norodom Sihanouk.

# 4 Rival Cambodian Factions Sign UN Covenants on Rights

By Henry Kamm  
New York Times Service

PHNOM PENH — The Khmer Rouge, together with the leaders of Cambodia's three other mutually hostile factions, signed two international covenants Monday that committed them to far-reaching respect for human rights.

In a ceremony at the Royal Palace, in the presence of the UN secretary-general, Boutros Boutros Ghali, the four groups joined in the Supreme National Council, certified Cambodia's adherence to the two covenants that form part of the UN International Bill of Human Rights.

A senior United Nations official said that although the signature of Prince Norodom Sihanouk as head of the Supreme Council would have sufficed to make a covenant binding, the organization decided in view of the atrocious human rights record of the Khmer Rouge to require individual commitment by all the faction leaders.

During four years of Draconian rule from 1975 to 1979, the Khmer Rouge, headed by Prime Minister Pol Pot, violated virtually all of the 84 articles of the charter to which they pledged adherence on Monday.

shared by many Cambodians. In three weeks of conversations here and in the countryside, fear of the Khmer Rouge and, to a lesser degree, of the Hun Sen local authorities was generally expressed. The memories of the Pol Pot regime of terror, in which most Cambodians lost family members or friends, remain painfully alive.

Mr. Butros Ghali coded his three-day visit with an appeal to member nations to provide \$599 million for food, health, housing, education and infrastructure repair for Cambodia. He said rehabilitation of the devastated country was part of the international effort to restore peace and stability.

"The role of the United Nations is not limited to the role of the Blue Helmet in keeping the peace," the secretary-general said.

In the final irony of a visit not free of the incongruous, Prince Sihanouk will leave Tuesday for North Korea. The prince, who returned from the 80th birthday celebration for President Kim Il Sung only in time to receive Mr. Butros Ghali on Saturday, is returning to honor the 60th anniversary of the North Korean Army.

After three days of often extravagant compliments for the United Nations, Prince Sihanouk will pay tribute to the only national army that ever made war against a military alliance under United Nations command. Even today, only a truce, not peace, has replaced that state of war.

Mr. Butros Ghali's display of faith in the conversion to advocacy of civil liberties of Mr. Pol Pot's followers does not appear to be

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STYLE MAKERS



Mauro Bacchini in a mission-style rocking chair, Robert Lazzeroni's plant stand for Ceccotti, and, above, a group of tables by Luca Meda at Molteni.

Italian Furniture  
 A DOWN-HOME APPEAL

**M**ILAN — This year at the Salone del Mobile Italiano (a.k.a. the Italian Furniture Fair, where the shape of a chair can be as cataclysmic as the length of a skirt), there was no denying that modern furniture design had done a double somersault and landed on sweet little feet.

Trim armchairs, marble-topped kitchen tables, country-style benches and ladder-back chairs were the new cozy objects of affection. Wood and wicker, hand-turned aluminum and bleached mahogany were the materials of choice.

There were rumblings of this at the fair last year, but the movement toward a more down-home and handcrafted aesthetic has really taken hold.

"Que carina, que carina," was chanted like a mantra by visitors touring the rambling coliseum-sized buildings of the furniture fair. It's been a while since anything in Italian design has been referred to as cute. It won't be the last.

After a couple of years of floundering about, the Italian manufacturers have pulled themselves together and proved that they still know how to make stylish furniture, though it's nothing like the furniture on which they have built their reputation in the past 25 years.

The excess associated with avant-garde design suddenly looks old. The new look is endearing, user-friendly and has a come-hither appeal.

The show, still the most important event and the most influential in matters of style on the international design calendar, closed Wednesday.

And if you think you've seen it all already, you

may be right. But look again. You might discover that you've never seen anything quite like this.

Classic shapes — wing-back chairs, demure table lamps — have been given a style injection. Colors are deftly muted and, like the fit of a great suit, the new furniture just sits well. The Italians know the value of masterly editing.

"What began as a kind of folly has become a way of making furniture," said Paola Navone, an architect turned furniture maker.

Her Mondo collection of redesigned traditional furniture (Adirondack chairs and the like) at Cappellini rocked the foundations of the avant-garde design establishment four years ago.

"Memory is the key word," continued Navone, who this year presented unpretentious room settings filled with simple, handpainted wood furniture.

**O**NE room was built around ship models, another around Indian paintings. The settings and charming accessories — stencils and papier-mâché props — were by Valérie Roy, a French artist.

"We're not inventing anything new," Navone said.

That's just the point.

"People now hate design," said Mauro Bacchini, the owner of High-Tech, the shop that introduced industrial chic to Milan more than 10 years ago.

Last week he was blithely unpacking mission-style rocking chairs, oak desks, lace-covered canopy beds and sofas with upholstered divans, was a dead ringer for old-fashioned mattresses. "This is the right moment for tradition," he said, adding, "At least I hope so."

Suzanne Slesin



Tina Chow in a Miyake dress and, top, at work. Below center, Babe Paley in 1950 and, far right, the Duchess of Windsor and Coco Chanel.



Tina Chow: East-West Fashion Icon

**N**EW YORK — Tina Chow was a rare and exotic object, an icon of style. When she died in January, her fragile elegance and limpid serenity were mourned by the fashion world who knew and understood her. Now her exquisite taste and skill as a collector are being celebrated in an exhibition at New York's Fashion Institute of Technology.

The show's title is "Flair," which is too slick a title to summarize the

stylish past. But it also began with herself. All the clothes on show were things that Chow had either bought from designers like Saint Laurent and Lagerfeld, or collected to wear. Museum pieces, so often examples of faded grandeur, took on fresh life as she wore them, although sometimes she had copies made to protect the originals.

Her style is shown in arresting photographic images — especially those taken by her friend David Seider. In the book of the show are his pictures of Chow wearing on

her a Balenciaga evening coat from the 1950s, and serene studies of the delicate figure, with sleek black hair and magnolia-pale face above Fortuny folds.

Richard Martin and Harold Koda, curators at FIT and co-authors of the book, speak of Chow's "aesthetic achievement" in picking garments that display "the particular technical brilliance" of the designer. In a didactic text, they discuss the role of the fashion collector in a world dominated by more conventional fine art, where clothing is "a limp flailing scarecrow among the stout fellows of art." They also

explain the importance of the individual Chow pieces, with brief biographies of each designer and 10 outfits broken down into pattern pieces and those she had bought and worn." In the book's foreword, Chow speaks rather of the "vanity and absorption" of accumulating clothes, and apologizes to her children for appropriating their closets.

However exemplary Chow was as a collector, neither the book nor the exhibition convey precisely why she was revered as a fashion symbol by an entire generation. Martin comes close to suggesting Chow's

particular and apposite qualities when he speaks of her physical appearance as "boyish but very fragile." To be a fashion icon is to represent so precisely the spirit of an age that the image becomes eternal. That applied to Wallis Simpson, whose brittle sophistication symbolized the 1930s; Coco Chanel's boyish insouciance in the 1920s; Babe Paley's prissy glamour of the 1950s.

Such figures were magnets for photographers, and it is hard to decide in retrospect whether it was Cecil Beaton's lens that immortalized Nancy Cunard and her armfuls of bangles and captured the

**SUZIE MENKES**

sensibility behind the collection of 500 pieces of 20th-century couture — 50 on display — that Chow collected over 25 years. There are rivulets of lush fabric in four capes by Fortuny; an austere sculpted coat by Balenciaga; a romantic duchesse satin Dior opera coat; sharp Saint Laurent tuxedos, one with negative-positive lapels; and the man's jacket with plain white T-shirt and jodhpur pants, that was the signature style of the woman who Karl Lagerfeld says "really invented minimalist fashion."

The collection expresses rigor, economy of line, and harmony of cut and fabric that transcends time and even place. Almost all the clothes — apart from a sinuous Chinese cheongsam from the 1930s and Isey Miyake creations — are Western, and often Parisian, yet Chow selected accordingly to her own East-West sensibility.

Born of a Japanese mother and an American father, brought up in Cleveland until the age of 15, she started her career as a model in Japan and went on to become the stylish wife of the Chinese restaurateur Michael Chow, and then a figure in fashionable arty circles in New York and California.

Her collecting started in the late 1960s with a "tattered pink For-

tuny tunic." But it also began with herself. All the clothes on show were things that Chow had either bought from designers like Saint Laurent and Lagerfeld, or collected to wear. Museum pieces, so often examples of faded grandeur, took on fresh life as she wore them, although sometimes she had copies made to protect the originals.

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**Solution to Puzzle of April 20**

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INTERNATIONAL STOCKS

Malaysia Draws Investors With Partial Privatization

By Michael Richardson

KUALA LUMPUR — Partial privatization of leading government companies is proving a successful strategy for enlarging the Malaysian stock market and making it more attractive to foreign and local investors.

The tempo of market listings has stepped up in the last 18 months.

Apart from electricity generation and distribution, the privatized companies cover telecommunications, aviation, shipping, cement, television, the national lottery and motor vehicle manufacturing and sales.

In the past, some fund managers shied away from Malaysia, despite its high-growth economy, because the equity market lacked depth and did not have enough large blocks of shares for ready trading.

But the listing of major strategic holdings by the government in the fast expanding sectors of power generation and telecommunications have attracted considerable foreign interest.

Syarikat Telekom Malaysia Bhd., which has an almost monopolistic position in the country's telecommunications industry, was listed in November 1990 and will vie with Tenaga for the position of largest company on the exchange.

Despite a weak performance by the Malaysian market in recent weeks because of concerns about an overheating economy, rising interest rates and inflation and the spillover effect of sharp falls on the Tokyo Stock Exchange, the Telekom share price has remained buoyant. It closed Monday at 11.30 ringgit, more than double the issue price of 5.00 ringgit.

Earlier this month, the government reduced its holding in Telekom to 75 percent, from 76.1 percent, by placing 60 million shares with Asian, European and American institutional investors. The placement raised 640 million ringgit. For the year to December, Telekom reported pretax profit of just over 1 billion ringgit, nearly doubling 1990 earnings.

The recent public issue of about 683 million Tenaga Nasional shares raised 9.3 billion ringgit and was heavily oversubscribed. "It proves there is plenty of money to support good Malaysian stocks," said Muzir Majid, the executive chairman of Commerce International Merchant Bankers Bhd., the managing underwriter for the Tenaga float.

The Tenaga issue broke new ground for Malaysian equities by allowing overseas as well as local institutions to tender for 60 million of the shares in the initial public offering.

The offer was more than six times oversubscribed. Mr. Muzir

See MALAYSIA, Page 11

Kuwait Plans to Lobby OPEC for Increase in Its Oil Quota

By Youssef M. Ibrahim

KUWAIT CITY — Kuwait officials say the country will begin to lobby for a large increase in its oil production quota when OPEC oil ministers meet Friday in Vienna.

It is a little more than a year after retreating Iraqi soldiers set fire to Kuwait's oil wells, and the emirate's oil output is now on the verge of 1 million barrels a day, compared with its OPEC-assigned share of 812,000 barrels.

Kuwait oil officials said the country's production, which was virtually nothing a year ago, was running at 920,000 barrels a day last week and would reach 1.5 million barrels a day before the end of the year.

Kuwaitis also say that with planned expenditures of \$8 billion to \$10 billion over two years, they will raise output to 2 million barrels a day by the end of 1993.

The ministers will have discussions this week with oil producers that are not members of the Organization of Petroleum Exporting Countries, and Kuwait is certain to make its position clear in advance of another OPEC session planned for the end of May, at which the members will set quotas.

"We expect that OPEC will agree to a significant quota increase for Kuwait to compensate for lost time, lost production and much lost income during the long months of this savage Iraqi invasion, which did huge damage to our country," said Hamoud Abdullah al-Raqba, Kuwait's oil minister.

Kuwait's determination will almost certainly clash with Saudi Arabia's expressed desire to retain its current production and with Iraq's eventual return to world oil markets as an exporter, a development that is likely if the United Nations lifts its economic sanctions against Baghdad.

Kuwaitis said they thought the Saudis would yield some of their production for their Kuwaiti allies, but they are eager to bar the road to Iraq.

Kuwait says it badly needs the money to make up the losses from the war, which cost it \$65 billion and cut deeply into its assets of nearly \$100 billion.

In addition, the Kuwait budget this year has a \$17 billion deficit that must be financed by borrowing, since income from oil and investments is not enough to cover the costs of reconstruction.

Oil income reached \$10 billion to \$12 billion a year in the 1980s but will not be more than \$3 billion this year.

The absence of Iraqi crude on world oil markets has helped Kuwait regain old customers, and there are indications that Saudi Arabia, Kuwait and the United Arab Emirates are quietly lobbying the United States and other world powers on the UN Security Council to keep Iraq out of the oil markets even longer.

"The priority is to re-establish ourselves in the markets we lost abroad," said Nader H. Sultan, executive assistant managing director of Kuwait Petroleum Corp.

Indeed, officials of Arab countries on the Gulf say privately that as long as President Saddam Hussein governs Iraq, they will exert as much pressure as they can to let Kuwait race ahead in oil production.

To date, the Iraqis are blocked by UN sanctions from exporting oil until they agree to tough conditions. Among other things, the United Nations insists that it must retain part of any revenue accruing to Iraq to pay war-damage compensation to various countries.

OPEC Production Cuts Unlikely

OPEC ministers are unlikely to cut production at their Friday meeting even though crude oil prices are \$3 a barrel less than the \$21 target. Agence France-Presse reported from Nicosia, quoting the Middle East Economic Survey.

Although several members favor a cut in the ceiling of 23 million barrels a day, the biggest producer, Saudi Arabia, is determined to resist such a move, the publication said.

Stocks Hit By Drop In Bonds

Dow Is Also Hurt By Tokyo's Fall

NEW YORK — Wall Street's string of record highs was broken Monday as stocks were undermined by surging interest rates on bonds and the latest bad news from Tokyo.

The Dow Jones industrial average of 30 stocks dropped 30.19 points to close at 3,336.31. It had plunged by as much as 50 points early in the afternoon, triggering the New York Stock Exchange rule limiting computerized sell programs.

Declining stocks outweighed advancing ones by almost an 11-to-4 margin, while volume was a moderately active 193 million shares.

The blue-chip barometer was also dragged back by profit-taking after it had risen 111.13 points last week and chalked up three consecutive record closes amid heightened optimism about corporate earnings.

The interest rate on 30-year government bonds rose sharply past the key 8 percent level, to 8.03 percent in afternoon trading Monday, as their price fell more than a point. Eight percent is considered a level at which bond market returns are high enough to draw investors out of stocks.

"The long bond is up above 8 percent. Japan was down, and we just went too far, too fast," said Edward Shoppert, director of equity services at Mabon Securities.

"The economic numbers don't justify where the market is right now," Dealers sold Treasury securities amid concern that recent signs of stronger-than-expected U.S. economic growth could imply a resurgence of inflation, bad for bond investors. Traders cited March construction data and remarks by the Federal Reserve Board chairman, Alan Greenspan, that the economy had grown at a 2 percent rate in the first quarter.

Both pieces of news came Friday, when the market was closed. On Monday, "the market had its first chance to respond to his 2 percent number," said Steve Ric-

See STOCKS, Page 10

Nigeria Importing Gasoline

LAGOS — Nigeria, a leading member of the Organization of Petroleum Exporting Countries, has been forced to import gasoline after shortages caused by smuggling, hoarding and refinery stoppages, an official said Monday.

"We imported 45 million liters [11.7 million gallons] of petrol products from Europe last week at a cost of about \$9 million," said the official, who asked not to be named.

But the imports, enough to cover domestic needs for about two days, had no immediate impact as frustrated drivers lined up at service stations during the long holiday weekend.

Nigeria imports gasoline as the need arises, as it did in 1990 during emergency repairs at two refineries, the official said.

Shortages started in the north late last year and spread to Lagos and other southern areas in April, partly because of stoppages at the Warri and Port Harcourt refineries.

NAN, the official Nigerian press agency, said the Warri refinery in the southeast had cut output by 20,000 barrels per day to 80,000, about half the total capacity, after power problems.

The state-controlled Daily Times said gasoline supplies had also been affected by routine maintenance at the Port Harcourt refinery, in the Niger Delta area.

Nigeria, which produces about 1.7 million barrels a day of crude, relies heavily on the refineries and one at Kaduna for gasoline, kerosene and other products.

Increased gasoline hoarding and smuggling into neighboring Benin, Chad, Cameroon and Niger Republic triggered shortages in the north. This followed concern that the military government would cut subsidies on gasoline prices, now among the world's lowest, at about 4 cents per liter (15 cents a gallon).

Officials have said there are no immediate plans to reduce the subsidies. The World Bank has sought reductions in the subsidies.

NAN said the problem at Warri began on April 7 after waste oil choked two power plant boilers and affected the fluid catalytic cracker.

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Hyundai's PC Unit California-Bound

Compiled by Our Staff From Dispatches

SAN JOSE, California — Hyundai Electronics Industries, a leading South Korean maker of personal computers, announced Monday that it was moving its operations to Silicon Valley in California in an effort to keep up with the industry's breakneck pace.

Hyundai Electronics, a member of the Hyundai Group conglomerate, also announced that it was hiring Edward D. Thomas, a former executive at Compaq and IBM, to head the transplanted personal-computer operation.

Analysts say the shift is a further indication that competition in the desktop computer business continues to intensify. It is also evidence that Silicon Valley still plays a crucial role as the foremost design center for the latest microelectronics technologies.

The transfer to San Jose, California, will cover all of Hyundai's principal computer operations in the personal-computer business, including design, marketing, manufacturing and administration, Hyundai Electronics said in its statement from San Jose.

In Seoul, a Hyundai Electronics spokesman said manufacturing would remain in South Korea and would not be transferred to the United States. There was no immediate explanation for the discrepancy.

The move "is an expression of Hyundai's lack of success in the industry," said Mr. Thomas, who is 53 and until recently was president of Compaq, an Austin, Texas-based maker of computer clones, which sells its machines through the mail and a chain of retail shops.

"The Asian companies have done their business management in Asia," Mr. Thomas said, "and that has not been a successful model."

Although Mr. Thomas said Hyundai's desktop computer business was profitable, its share of the U.S. market is only about 3 percent. Hyundai, which until now has made its range of IBM-compatible desktop and notebook computers in South Korea, grew consistently until 1991, Mr. Thomas said. But sales flattened in 1991, and the trend has continued this year.

He said that Asian manufacturers had found it difficult to keep up with the rapid changes in the American computer market. In the past two years, the computer industry has shifted toward a market of lower-price hardware. The market has also begun to shift

quickly toward more portable notebook systems and away from desktop machines. Through its Hyundai Electronics America unit, the company has a network of about 1,200 computer dealers in the United States.

Mr. Thomas said that the transfer of operations to the United States would not lead to Korean layoffs, and that Hyundai's personal computer workers would be absorbed by other parts of Hyundai Electronics Industries.

Hyundai Electronics America currently employs about 125 people in San Jose. Mr. Thomas said, and once computer manufacturing begins there in the third quarter the company will probably hire several hundred more workers.

Mr. Thomas said that while he would base his design, marketing and headquarters functions in San Jose, he would consider moving the manufacturing operation elsewhere in the United States because of the high costs in the San Jose area.

World Class Technology

John Burgess of The Washington Post reported from Washington: The Hyundai move offers new evidence

See HYUNDAI, Page 11

Better Earnings Point to U.S. Recovery

By Barnaby J. Feder

NEW YORK — Early indications are that much of corporate America managed to write better-than-expected profits out of meager overall economic growth in the first quarter.

The steady drumbeat of earnings reports at or over the high end of analysts' estimates — from companies as diverse as IBM, Coca-Cola, Sears and Alcoa — helped drive the Dow Jones industrial average to record highs last week and lift stock prices in general. But economists say there may be important longer-term effects as well.

Earnings have a huge impact on business confidence at the levels where spending and hiring decisions are made," said David Blitz, the chief economist for Standard & Poor's Corp., which analyzes corporate financial strength for the bond market.

"Some new projects that were on hold because of concerns about funding are now likely to be put on the active pile."

Analysts said the positive surprises were partly a reflection of how much Wall Street scaled back

its expectations last year as the economy struggled to emerge from recession. But at least some of the gains seem to bear out the claims of executives who have been arguing for some time that much of American industry is far healthier than the public believes.

"I'm not surprised at the profits we are seeing, given the way people cut back employment and improved productivity to a greater degree than most people recognized during the recession," said Jerry Jasnowski, the president of the National Association of Manufacturers. "A lot of companies that were not losing money cut back

anyway with an eye toward long-term benefits."

Economists agreed, but cautioned against reading too much into the figures.

"It shows that business is fundamentally healthier than people thought six months ago," said Lawrence Kudlow, economist for Bear, Stearns & Co. "But I'm not sure what it tells us about the strength of our economy. A lot of the economically sensitive commodity prices seem to be slumping down again. That troubles me."

Analysts had been projecting a big jump in reported profit for many companies in the first quarter, even though it was clear that the economic recovery has been slow and uneven.

Industries like airlines and railroads had been hit hard a year earlier when the Gulf War sent fuel prices soaring. Many other companies, including banks, stockbrokers and those with heavy debt loads, benefited from interest rates that were much lower this year than in the first quarter of 1991.

In addition, some companies had taken large one-time write-offs or

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See STOCKS, Page 10

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other financial data. Includes entries for Australian, Canadian, and European currencies.

Other Dollar Values

Table with columns for Country, Par, and other financial data. Includes entries for Australia, Canada, and various European countries.

Interest Rates

Table with columns for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds. Includes interest rates for various terms and currencies.

Asian Dollar Deposits

Table with columns for Term, Bid, Ask, and other financial data. Includes interest rates for 1, 3, 6, and 12 month terms.

GOLD

Table with columns for Location, Bid, Ask, and other financial data. Includes gold prices for London, New York, and other locations.

Tapping a Rich Vein of Risk

New Players in the Political Insurance Game

By Lawrence Malkin

NEW YORK — Can you buy protection against Saddam Hussein? The latest coup in Peru? East Europeans who don't pay on time? It's called political-risk insurance, and a French insurance man says no company should do business in some countries without it.

Louis Habib-Deloncle is trying to expand the political-risk pools he runs here and in Paris under Unistrat NV, a Netherlands-based holding company. Last year Unistrat earned \$24 million in premiums on \$1.2 billion in risks. That makes it the first continental European company to become a major player in a highly specialized business, with premium income totaling an estimated \$150 million a year, that has long been concentrated with Anglo-Saxon companies.

Political-risk insurance used to be covered by government export credit agencies, with large companies such as Aetna Life & Casualty Co. and Chubb Corp. filling niches in the private field and reinsuring with Lloyds of London. Apart from American International Group Inc., which insures mainly U.S. and Asian companies, the large private insurers have backed out of areas like this as the insurance business has become more risky.

Lloyds, which earns about \$50 million a year in political-risk premiums, according to industry estimates, has been forced by huge casualty losses to rein in its business in an especially risky area: insuring against state-owned companies that repudiate their contracts to pay for expensive Western technology or to deliver coffee, cotton or cocoa in time.

With the withdrawal of the giants, boutique companies like Unistrat are trying to fill the niche.

Their main limitation is a shortage of capital, although Unistrat is doing better than most with the backing of a dozen mainly French and Belgian insurance companies.

Another European company, Pan-Financial, is backed by Scandinavian and Japanese insurers; Citicorp runs a small subsidiary to insure its clients, and a small new Bermuda-based company, Exporters Insurance, is trying to raise capital from the exporters and bankers

can happen after Russia joins the World Bank and International Monetary Fund.

The private market has been growing because governments are gradually withdrawing from the field of export guarantees by scaling back the scope of their guarantees, which amount to export subsidies, and leaving more to private insurers.

"We look at a company's business strategy before we write a policy," Mr. Habib-Deloncle said in an interview in New York. "We ask whether a company is selling the right thing. Does the government that is buying it really need it? Is the company in for the long term?"

For example, Unistrat would insure a shipment of oil rigs for Algeria but not Hermès scarves. If both were confiscated in some excess of nationalism, the insurance company would have to pay the supplier and then try to get its money back, and it is obvious which supplier would give the insurance company more leverage in the negotiations.

Take the case of a European company that contracted to build a chemical factory in Bulgaria. After the old regime was thrown out, environmentally-minded politicians in the new government forced the state-owned company to repudiate the contract. Unistrat warned the refuted to pay an indemnity, it risked finding itself on European blacklists for joint ventures that could supply the technology Bulgaria badly needs.

Private insurers do not boast that their political forecasts are any better. But they do try to make sure that their book contains a variety of countries as both buyers and sellers, and a wide spread of risks ranging from late payment to United Nations embargos.

Gains at 2 Consumer Firms

Compiled by Our Staff From Dispatches

NEW YORK — Colgate-Palmolive Co. and Liz Claiborne Inc., two U.S. companies dependent on consumer spending, reported Monday strong profits for the first quarter.

Colgate, a maker of consumer and personal-care products, cited strong sales growth in Asia and the United States for a 25 percent jump in first-quarter net income, to a record \$113.8 million, from \$91.3 million during the same period last year. Sales rose 9 percent to a record \$1.6 billion, from \$1.5 billion in the first quarter of 1991.

"These strong results in the first quarter, following an excellent year in 1991, again show the importance of Colgate's enormous global reach. Despite recessionary conditions in some countries, outstanding growth in other parts of the world drove our overall performance to record levels," said Reuben Mark, chairman and chief executive.

The apparel maker Liz Claiborne said earnings rose 2.8 percent in the first quarter, on an 11 percent sales increase. For the period ended March 28, the company reported net income of \$62.8 million, up from \$61.0 million a year earlier. Revenue rose to \$556.9 million from \$502.1 million.

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See STOCKS, Page 10

Advertisement for Audemars Piguet watches. Features a large image of a watch and text describing its design and quality. Includes the AP logo and the slogan 'The master watchmakers.'

MARKET DIARY

Dollar Mixed in N.Y. In Lackluster Trading

NEW YORK — The dollar ended an extremely dull U.S. trading day weaker against the Deutsche mark on Monday and slightly firmer against the yen.

European markets remained closed for the Easter Monday holiday, and U.S. traders showed little interest in taking large positions.

Foreign Exchange

while the market remained thin, dealers said.

"It's difficult to get anything done," said Charles Wheeler, foreign-exchange manager at the Finnish bank Postpankki.

"The dollar weakened on some profit-taking and against mark-yen cross trading," said Randy Donney, the director of research at Pegasus Economic.

The dollar closed at 1.6660 DM, down slightly from 1.6695 DM at the close on Friday, and at 134.305 yen, a slight firming from 133.950.

The British pound rose to \$1.7490 from \$1.7450.

The dollar ended at 1.5390 Swiss francs, down from 1.5445, and at \$5.6300 French francs, down from \$5.6435.

Traders said dollar sentiment was still bullish despite the lackluster market Monday and Friday.

Positive U.S. economic data reinforced last week — including a sharper-than-expected shrinkage of the U.S. trade deficit, an unexpected rise in home building and a drop in new claims for unemployment benefits — had helped to underpin the dollar.

"There are only two reasons to sell the dollar," Mr. Wheeler said. "There is still an extremely wide interest-rate differential against the mark. And the dollar is at the high end of its range."

Karl Halligan, a futures dealer at NatWest Bank PLC in New York, said the meeting of the Group of Seven industrialized countries in Washington this weekend could put further pressure on the mark if U.S. and other finance officials, as expected, appealed to the Bundesbank to lower interest rates.

"At best, we may have a scenario where Germany says it's not going to raise rates anymore," Mr. Halligan said.

The dollar is expected to maintain a firm tone against the yen this week, though uncertainties surrounding the G-7 meeting may cap the U.S. currency at 135 yen in the short term.

"We're looking for the dollar to strengthen," said Lisa Pazer, foreign-exchange analyst at M&S International. "With the Nikkei plunging, the yen will continue to be the weak link."

disappointments in first-quarter earnings damped the enthusiasm about an economic recovery sparked by surprisingly strong earnings in the past two weeks from Aluminum Co. of America and IBM, among others.

Capital Cities/ABC sank 10 1/4 after the company reported a 28 percent decline in first-quarter earnings.

JWP slid 2 1/2 after it said first-quarter results would fall short of analysts' estimates and would include a restructuring charge.

Dominion Bankshares was down 2 1/2 after reporting a first-quarter loss of 73 cents a share.

Microsoft sank 9 1/2 after the company made cautious comments regarding expectations for reduced revenue and earnings growth in the 1993 financial year.

Centocor dropped 3 1/2 to 12 1/2. Alex. Brown said the biotechnology company would not likely survive its recent setback with its flagship drug.

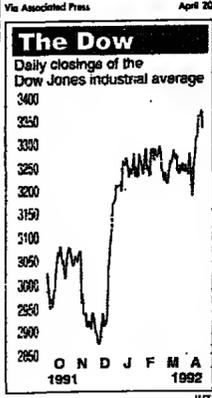
Cummins Engine rose 3/4 to 60 1/4. It posted quarterly profit of \$0.45 a share vs. a loss of 2.44.

7/2 Medical plunged 7 1/2 to 33 1/2 after disappointing earnings.

Chicorp rose 1/2 to 16 1/4 after Salomon Brothers placed the stock on its recommended-for-purchase list.

Star Banc Corp. shot up 8 1/2 to 36 1/4 after the company rejected a hostile merger proposal from Fifth Third Bancorp.

(Reuters, Bloomberg, NYT, UPI)



NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change. Includes symbols like GLD, LINT, and various stock tickers.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change. Includes symbols like US 30, FRUIT, and various stock tickers.

NYSE Diary

Table listing NYSE Diary with columns for Advancing, Declining, Unchanged, Total Issues, and New Issues.

Amex Diary

Table listing Amex Diary with columns for Advancing, Declining, Unchanged, Total Issues, and New Issues.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Advancing, Declining, Unchanged, Total Issues, and New Issues.

Table titled 'Dow Jones Averages' showing Open, High, Low, Last, and Change for various indices like Industrials, Finance, and Commodities.

Table titled 'Standard & Poor's Indexes' showing High, Low, Close, and Change for various sectors like Industrials, Finance, and Energy.

Table titled 'NYSE Indexes' showing High, Low, Close, and Change for Composite, Industrials, Finance, and Energy.

Table titled 'NASDAQ Indexes' showing High, Low, Close, and Change for Composite, Industrials, Finance, and Energy.

Table titled 'AMEX Stock Index' showing High, Low, Close, and Change for various categories like Metals, Chemicals, and Energy.

Table titled 'Spot Commodities' showing various commodity prices like Aluminum, Coffee, and Wheat.

Table titled 'Dow Jones Bond Averages' showing Class and Change for various bond categories like 20 Year, 10 Year, and 5 Year.

Table titled 'Market Sales' showing NYSE 4 a.m. volume, NYSE 9 a.m. volume, and NASDAQ 4 a.m. volume.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing April 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table titled 'S&P 100 Index Options' showing various option contracts like S&P 100 Call and Put.

Table titled 'Spot Commodities' showing various commodity prices like Aluminum, Coffee, and Wheat.

2 Banks Announce Profit Rises In Quarter

NEW YORK — Chase Manhattan Corp. and NationsBank reported on Monday strong starts for 1992, with Chase saying its profit rose 20.5 percent in the first quarter, while NationsBank posted a 95.0 percent rise.

Chase attributed its improvement to higher income from fees and other services. But the stock-largest U.S. bank said results were tempered by additions to its loan-loss provisions and higher operating expenses from acquisitions.

In the first quarter, Chase earned \$141 million, or 81 cents a share, up from \$117 million, or 73 cents a share, in the like 1991 period. The results were better than Wall Street estimates of about 60 cents a share.

Like many large banks, Chase said its average loans decreased considerably, down 10 percent, to \$66.7 billion. Bankers say loan volume is off because they have trouble finding creditworthy customers.

Chase recorded a \$300 million provision for possible loan losses, up \$60 million from the first quarter 1991, and it said that because of the weak commercial real estate market "it is likely that the provision for possible credit losses will continue at relatively high levels."

The bank said delinquent and troubled domestic loans totaled \$3.4 billion, up \$285 million from the year-earlier period.

NationsBank was created last year from the merger of NCNB Corp. of Charlotte, North Carolina, and C&S Soymen Corp. of Norfolk, Virginia and Atlanta. It said it earned \$310 million, or \$1.28 a share, in the first quarter, up from \$159 million, or 70 cents a share, in 1991. Analysts had predicted earnings in the range of 94 cents a share.

NationsBank, the fourth-largest U.S. bank, said average loans fell 3 percent, to \$67.8 billion.

Separately, in San Francisco, BankAmerica Corp. said Monday it would sell its business-services division, which processes payrolls, to Automated Data Processing Inc. for about \$200 million.

Crédit Lyonnais Bids to Control MGM

NEW YORK (DHT) — Crédit Lyonnais plans to gain uncontested control of MGM-Pathe Communications Co. from the Italian financier Giancarlo Parretti and rebuild the ailing movie company when it puts its stock up for auction next month to confirm its foreclosure.

The French bank said in a notice published Monday that it would accept a minimum of \$400 million by a single bidder for its block of 98.5 percent of MGM's common stock, which is held as collateral for its loans by its Dutch subsidiary, Crédit Lyonnais Bank Nederland NV. Since a successful bidder also would have to assume loan liabilities of at least \$880 million, few if any bidders are likely to come forward, but the process is necessary for the bank to confirm a U.S. court decision Dec. 31 awarding Crédit Lyonnais the right to vote the stock and control the company.

Mr. Parretti disputes this because he retains nominal control of the board. The bank said that gaining formal control of the stock and "severing the last connection" with Mr. Parretti would strengthen the hand of the American management, Dennis Stanfill and Alan Eddle, in trying to revitalize MGM. The auction will be held on May 7.

Allied to Buy Unit of Westinghouse

MORRIS TOWNSHIP, New Jersey (Reuters) — Allied-Signal Inc. said Monday that its Norplex Oak division had agreed to pay \$100 million for Westinghouse Electric Corp.'s copper-laminates division, including the Fortin Industries Inc. unit.

The facilities covered are in California and South Carolina in the United States and in Britain and France. The copper-laminates division and Fortin Industries, as well as Norplex Oak, manufacture materials used to make printed circuit boards for the electronics industry.

Allied-Signal said the worldwide market for copper-clad laminates was about \$3 billion. Norplex Oak has total sales of about \$400 million.

Northrop Seeks Minority LTV Stake

LOS ANGELES (Bloomberg) — Northrop Corp. said Monday that it had signed a memo of understanding with Carlyle Group LP to acquire a minority interest in LTV Corp.'s aircraft division, which the Washington investment firm won in a bid in bankruptcy court earlier this month.

The sale is subject to Defense Department assurance that the investment will not affect its B-2 bomber contract. Northrop is the prime contractor on the B-2 program, and LTV is a principal subcontractor, assembling the midwing section of the bomber.

Carlyle and Thomson-CSF, a subsidiary of Thomson SA, won LTV's aircraft and missile operations with a bid of \$450 million, topping an offer by Martin Marietta Corp. and Lockheed Corp. of \$385 million.

5-Month Strike Ends at Caterpillar

CHICAGO (Reuters) — Members of the United Auto Workers headed back to their jobs at Caterpillar Inc. on Monday after ending their five-month strike against the heavy-equipment maker last week.

The union ended its walkout Tuesday, but Caterpillar kept its plant doors shut against more than 12,000 former strikers until Monday. The company said it needed time to prepare for their return and could not immediately gear up production to full capacity at its plants in Illinois.

Caterpillar and the UAW were awaiting a call from the Federal Mediation and Conciliation Service to arrange their next meeting with a federal mediator. The two sides agreed to continue negotiations for a new three-year contract with the help of a mediator.

Tax Gain Boosts U.S. West's Profit

ENGLEWOOD, Colorado (UPI) — U.S. West, helped by a favorable tax settlement, reported Monday first-quarter net profit of \$334 million, or 81 cents a share, up 17 percent from \$285.9 million, or 73 cents a share, in the year-earlier quarter.

Revenue for the regional phone company was \$2.51 billion, an increase of 2.4 percent.

The quarter included a one-time after-tax gain of \$36 million from Internal Revenue Service settlement and a \$15 million after-tax charge for refinancing of debt. The company had lost \$278.4 million in the fourth quarter of 1991 as a result of a \$590 million restructuring charge.

STOCKS: Rising Yields Hit Prices

(Continued from first finance page) chiuto, chief financial economist at Barclays de Zoete Wedd Government Securities Inc.

Robert Finkler, economist at Aubrey G. Lanston, said the bond market was concerned about the increased demand for private credit typically associated with economic growth.

"It means real interest rates will have to be higher," he said.

Also hurting the price of Treasury bonds was the anticipation of new supply flooding the market, which aggravated concerns that interest rates will not fall further.

The Treasury plans to sell \$14.75 billion of two-year notes and \$10.25 billion in five-year notes this week.

U.S. investors also reacted to the fall of 509.33 points, or nearly 3 percent, on Tokyo's 225-stock Nikkei index. The index slipped below 17,000 points during the day and struggled back to close at 17,071.36. The decline followed a 79.07-point drop on Friday.

Long interest rates rose sharply in Japan, too, hurting stocks, as the yield on the government's benchmark long-term bond finished trading at 5.64 percent, up from 5.54 percent on Friday and 5.49 percent just one week ago. That is considered a hefty increase, especially when the government has been trying to push interest rates lower to bolster a slowing economy.

In Wall Street trading, scattered disappointments in first-quarter earnings damped the enthusiasm about an economic recovery sparked by surprisingly strong earnings in the past two weeks from Aluminum Co. of America and IBM, among others.

Capital Cities/ABC sank 10 1/4 after the company reported a 28 percent decline in first-quarter earnings.

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(Reuters, Bloomberg, NYT, UPI)

Citibank Targets Fraud With Credit-Card Photos

NEW YORK — Citibank said Monday it was offering most of its 30 million credit-card holders the opportunity to stamp their Visa and MasterCard cards with color photographs of themselves as a way to fight fraud.

Richard Srednicki, general manager of Citibank MasterCard and Visa, refused to say how much the bank loses to fraud, but he said the industry loses \$1 billion a year. There are about 18,000 credit-card transactions a minute, and Citibank is the biggest bank in the field.

The bank said MasterCard and Visa cardholders just needed to send in applications with photographs or have their pictures taken at a Citibank branch.

Citibank has worked with a high-tech company, Datacard, and Polaroid Corp. to stamp pictures permanently on the back right-hand corners of the cards. The photo, a three-quarter-inch square, is part of the plastic and is tamperproof. It cannot be scratched or removed without ruining the card. The embossed number on the card also runs right over the picture, making it difficult to substitute another photo.

Revco Asks End to Appeals

TWINSBURG, Ohio — Revco D.S. Inc. said Monday that it had filed a court motion for the withdrawal of all appeals blocking its reorganization plan, a move that should allow the drug-store operator to emerge from bankruptcy in late May.

Boake Sells, Revco's chairman and chief executive, said the agreement "removes the last roadblock to Revco's emergence from Chapter 11."

The appeals were filed by Sidney Dworkin, Revco's former chairman and chief executive, and William Edwards, former president and chief operating officer. They appealed a court decision that freed Salomon Brothers, which arranged Revco's leveraged buyout in 1982, from suits related to the bankruptcy, a company spokeswoman said.

Revco, burdened by debt, filed for court protection in July 1988.

U.S. FUTURES

Table titled 'U.S. FUTURES' showing various futures contracts like WHEAT, SOYBEAN, and SILVER.

Grains

Table titled 'Grains' showing futures prices for WHEAT, SOYBEAN, and CORN.

Metals

Table titled 'Metals' showing futures prices for COPPER, SILVER, and GOLD.

Stocks

Table titled 'Stocks' showing futures prices for S&P 500, NYSE, and AMEX.

Livestock

Table titled 'Livestock' showing futures prices for HOGS, CATTLE, and SHEEP.

Financial

Table titled 'Financial' showing futures prices for TREASURY, BOND, and MONEY MARKET.

EARNINGS: Gains Surpass Analysts' Estimates and Point to Recovery

(Continued from first finance page) spent heavily in the first quarter of 1991 to cover costs of closing or selling unprofitable operations, increased severance pay for layoffs or inducements for employees to retire.

All these companies were bound to look much more profitable in comparison, with even a fragile economic recovery.

"I think analysts understand, but they wanted to wait and see before building it into their estimates," said Carol B. Coles, the president of Mitchell & Co., a market research firm in Weston, Massachusetts.

Mitchell's analyses indicate that companies that have relied primarily on cutting employment to cut

costs tend to enjoy only short-lived gains. Their stock prices lose ground to the rest of the market over the longer term. But Mrs. Coles said the recession had unleashed a great deal of creative effort to improve productivity, by means other than simply eliminating employees.

The profits, along with such statistics as rising exports, point to a large improvement in the worldwide competitive position of most American industries, Mr. Jasinoski and other economists said. The United States actually has a substantial trade surplus, if autos and oil are stripped from the statistics.

But the operating profits, like the economic recovery, remain weak by historical standards. International Business Machines Corp., for example, had earnings of \$595 million, or \$1.04 a share in the first quarter, up from \$556 million, or 97 cents a share, leaving aside the negative effect of a one-time accounting change of \$2.26 billion a year earlier that reflected future pension liabilities. This year's profit, however, is well below those for the rest of the last decade, where first-quarter earnings ranged between \$1.30 and \$1.97 a share.

A few companies, like Apple Computer, cited strong sales of new products as a reason they did better than expected. But many

economists and analysts remain worried about how well new products from companies like IBM and Digital Equipment Corp. are selling.

In addition, the small-business sector is still having an unusually tough time earning money.

The quarterly survey of small businesses by the National Federation of Independent Business always shows more of them reporting declines than gains in the first quarter, compared with the fourth quarter of the previous year. But this year's margin — with 42 percent reporting declines and 15 percent showing gains — is larger than usual.

companies have not been tied to the bidding scheme.

The Asahi editorial, however, suggested that part of the problem was the extent to which bid-rigging had become ingrained in construction industry practices. "Armies of public prosecutors" might be required, the paper acknowledged, but this is no excuse.

The editorial concluded that "the very foundation of the nation's penal and judicial system could eventually be put to question" if large and powerful violators are permitted to escape prosecution.

CARTEL: Case of the Saitama 66 Tests Japan's Antitrust Determination

(Continued from page 1) some U.S. experts as a sort of imperialistic approach.

Last week, James F. Rill, U.S. assistant attorney general for antitrust, came to Tokyo to explain the policy to Japanese government officials and business executives. He insisted that the policy was not aimed at any particular nation such as Japan — a contention that drew scoffs from his listeners.

Mr. Rill added that the policy could be applied only against foreign companies that had significant business operations in the United States, and that Washington would not take action against such com-

panies before seeking the help of the antitrust authorities of the country in question.

The chairman of Japan's Fair Trade Commission, Setsuo Umezawa, was not persuaded. He objected to the Justice Department policy, and he emphasized that his agency had made considerable strides in recent years in cracking down on antitrust offenses — a point Mr. Rill conceded.

The Fair Trade Commission, Mr. Umezawa noted, has pushed through legislation increasing fines for antitrust violations. Moreover, the agency has brought a slew of new antitrust cases, including the

first criminal antitrust prosecution in 17 years, against makers of plastic wrap for fixing prices.

But the Saitama case will surely be cited by the U.S. government as evidence that Japan remains reluctant to crack down on cartels, unless the trade commission does the unexpected and decides to prosecute after all. A final decision will be rendered by early June.

According to some press reports last week, the trade commission does not want to prosecute because only the construction firms' local representatives were involved in the dango; the companies' top offi-

WORLD STOCK MARKETS

Table titled 'WORLD STOCK MARKETS' showing market data for Madrid, Sao Paulo, and Tokyo.

Table titled 'WORLD STOCK MARKETS' showing market data for various international markets like London, Frankfurt, and Zurich.

Table titled 'WORLD STOCK MARKETS' showing market data for various international markets like Hong Kong, Singapore, and Seoul.

Table titled 'WORLD STOCK MARKETS' showing market data for various international markets like Taipei, Manila, and Jakarta.

Table titled 'WORLD STOCK MARKETS' showing market data for various international markets like Bangkok, Kuala Lumpur, and Colombo.

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Table titled 'WORLD STOCK MARKETS' showing market data for various international markets like Seoul, Taipei, and Hong Kong.

Table titled 'WORLD STOCK MARKETS' showing market data for various international markets like Tokyo, Osaka, and London.

# IMF Split on Plan to Aid Former Soviets

**By Keith Bradsher**  
*New York Times Service*

WASHINGTON — The International Monetary Fund is considering a plan to help the former Soviet republics pay billions of dollars for their trade bills, but cannot act because its member countries are divided on the idea, according to a senior official at the lending institution.

The plan would be in addition to \$25 billion to \$30 billion in conventional IMF loans over the next four years and would allow all the institution's members, including the former Soviet republics when they join, to borrow extra money.

The senior official's remarks were the first indication that the IMF might be coming up with a new, and little-discussed method to help finance international aid to the former republics. Other IMF officials said that the institution's economists had quietly begun work on the idea a year ago at Japan's request and that they would finish their review before the IMF and World Bank annual meeting in September.

The official discussed the plan with reporters on the condition that he not be identified. Poor

countries and Japan support the idea, but a U.S. official said Washington opposed it.

Michel Camdessus, the managing director of the IMF, said last week that in addition to \$24 billion in aid for Russia, Western nations should spend \$20 billion this year to help the 14 other former republics pay for needed imports.

The senior IMF official suggested that creating more special drawing rights, which allow the additional borrowing for member countries, might be part of the answer.

Special drawing rights are used almost exclusively by international lending institutions and central banks for transactions with one another, like the settlement of loans and trade bills. Like the European Community's Ecu, the special drawing right is a composite of several currencies and fluctuates in value with them; one special drawing right is now worth \$1.37.

The International Monetary Fund can create new drawing rights whenever an overwhelming majority of member nations gives permission. But under an amendment to the IMF's charter, new drawing rights are divided among member countries in proportion to their financial contri-

# Europeans Buy Most Korea Cars

**Compiled by Our Staff From Dispatches**

SEOUL — South Korea's car exports to Western Europe surpassed exports to North America in March for the first time, the trade and industry ministry announced Monday.

Car exports to Western Europe increased to 13,085 units in March, from just 3,204 in March 1991, the ministry said, attributing part of the increase to the launch of Hyundai Motor Corp. exports to Germany this year.

Exports to North America dropped to 9,248 units in March, 43.2 percent fewer than in the same period last year, with exports to the United States down 50.7 percent to 6,466 units.

South Korean auto exports also increased dramatically to Latin America, where they were up by 407 percent, to 3,518 units, and to the Middle East, by 269 percent, to 3,169 units. Exports to other parts of the Asia-Pacific region dropped by 6 percent, to 4,005 units.

Total auto exports in March, of 34,476 units, were the highest monthly figure on record and were up by 25 percent over March 1991.

(AFP, AP)

# IRA Bomb Now Rocks Insurers

**Compiled by Our Staff From Dispatches**

LONDON — The bomb explosion in the London financial district on April 10 will cost insurers £1.2 billion to £1.8 billion (\$2.1 billion to \$3.14 billion) and is likely to force across-the-board rises in insurance rates, an assessor working on the case said Monday.

The damage is close to that caused by a barracade in 1987 that devastated the south of England, about £1.9 billion, said Jeffrey Salmon, managing director of Salomon Adams Hillon, an insurance claims assessor.

Speaking in a radio interview, the assessor said, "We believe the figure will be somewhere between £1.2 and £1.8 billion." He said the figure had originally been expected to be only £200 million to £300 million.

Later, Mr. Salmon, whose firm is working on behalf of several companies to calculate their claims, said, "Inevitably this means that insurance companies will have to put up their premiums across the board; car, home and every other type of insurance will go up on average by 35 to 40 percent in 1993-94."

A spokesman for the Association of British Insurers, the insurance industry's trade body, said Mr. Salmon's estimates were too high and added that insurance companies might not have to raise premiums.

"The best estimates we have are that the costs will

be in the hundreds of millions and at most £1 billion," said Tony Baker, the association's head of public affairs. "It is too early to say whether insurance premiums will be affected but the signs are that they will not... premiums have already gone up over the past couple of years and it should not be necessary to put them up again."

Three people died and more than 90 were injured when the bomb went off in the London financial district on April 10. The Baltic Exchange and the Chamber of Shipping were so badly damaged they will have to be demolished.

The Irish Republican Army claimed responsibility for the bomb. The IRA, which is fighting to end British rule in Northern Ireland, has warned of more attacks on the mainland.

Later Mr. Salmon said, "Multiplying our own assessments by those of other larger claim assessors, we think the total bill... will be up to £1.8 billion."

He added that some insurance companies would probably be unable to pay out on all the claims facing them. "It is not just a possibility, it is seemingly a probability that some of the claims will go unpaid because the insurance companies simply do not have enough money," he said.

(Reuters, AP, AFP)

# Turmoil at Home Forces Yugo to Withdraw From U.S.

**Reuters**

DETROIT — Yugo America Inc., which in the 1980s brought U.S. consumers a bargain-priced car made in Yugoslavia, quietly withdrew from the U.S. market last week.

The U.S. importing unit of the Yugoslav automaker Zavod Crvena Zastava informed dealers in a letter that its U.S. operations had succumbed to political turmoil and civil war among the Yugoslav republics. Yugo America also filed a Chapter Seven bankruptcy petition to liquidate its assets in U.S. Bankruptcy Court in Newark, New Jersey.

Telephone calls to the Yugo America headquarters were not answered. Bruce Buechler, the attorney for Yugo America, was not immediately available for comment.

Ray Potts, the service manager of Ken Smith Lincoln Mercury-Yugo-Peugeot in Ridgewood, New Jersey, said that shortly after he had received the letter announcing the withdrawal, he had gone to Yugo America headquarters in Up-

per Saddle River, New Jersey, and found it empty and locked.

"It was very fast," Mr. Potts said. "They're gone. This has been a nightmare."

He said Yugo America had informed dealers late last week that Zastava had made the decision to retreat from the United States.

"The manufacturer based its decision primarily on uncertainties in Yugoslavia, which have made it impossible to provide Yugo America Inc. with a regular and dependable supply of vehicles and necessary financial support," the company said in the letter.

It said it was investigating the possibility of continuing to supply spare parts for Yugo vehicles.

Michael Nardo, the general manager of Dave Miller Oldsmobile-Isuzu-Yugos in Matteson, Illinois, said Yugo never recovered from its Chapter 11 bankruptcy filing in 1989.

"After the first time they went out, they couldn't dig out their reputation again. They were running a defunct corporation," he said.

# Havel Seeks Trade on Asian Trip

**Reuters**

PRAGUE — President Vaclav Havel leaves Tuesday for Japan and South Korea, seeking further trade and investment to support Czechoslovakia's moves toward a market economy.

The trip is Mr. Havel's first to the region since he became president in December 1989.

"Considering the significance of the two countries, our trade and cultural relations are not at the corresponding level," Mr. Havel's

spokesman said. "The president is going to open new possibilities."

To smooth the way, the Czechoslovak legislature last week canceled the relic of a 1959 accord with Japan that allowed trade only through state-owned companies.

Japan has not expanded its trade with Czechoslovakia significantly since the end of Communist rule in 1989, the highest level after that of the European Community.

After Japan, Mr. Havel will visit South Korea, with which Czechoslovakia established diplomatic ties in March 1990.

Czechoslovak exports to South Korea rose to \$8.6 million in 1991 from \$1.3 million in 1986. But South Korean sources give an estimate of \$31.8 million, as unrecorded trade through third countries continues. This was the practice before 1989.

The Japanese system of taking

# Looking for Logic in U.S. Executive Pay

**By Peter Passell**  
*New York Times Service*

NEW YORK — Nice work if you can get it: The \$86 million paycheck that the Coca-Cola Co. chairman, Roberto C. Goizueta, received in 1991 is apparently the highest ever awarded for a year's labor.

With the stock market near record highs, dozens of other chief executives are expected to receive multimillion-dollar packages built around stock bonuses.

Is America's corporate leadership overpaid? In a defense likely to be echoed by many of his peers, Mr. Goizueta suggested his \$83 million stock bonus was small change, compared with the \$30 billion increase in the market value of Coke shares during his decade-long tenure.

But such reasoning raises skepticism among those who think chief executives are just employees of the stockholders. Would Mr. Goizueta have given less than his best if he had been paid one-tenth as much, asks Graef S. Crystal, a professor at University of California at Berkeley and a prominent analyst of executive pay.

Some observers said multimillion-dollar annual pay for corporate executives was not a real issue, but a symptom of deeper ills. The more important question, they said, was whether corporate directors hire the right people to run the company and dismiss them when someone better is available to fill their shoes.

It should not have mattered to General Motors Corp. stockholders whether Roger B.

Smith was paid \$10 million more or \$10 million less while he presided over the long decline of GM, says Jeremy Stein, a professor at the Sloan School of Management at the Massachusetts Institute of Technology.

What mattered a lot, in Mr. Stein's view, was the failure of the board to replace Mr. Smith as GM tottered from humiliation to ruin.

It is not surprising that most people see the executive pay issue in terms of fairness. The average pay of chief executives of large companies more than doubled in real terms in the 1980s, while profits rose just 19 percent and factory wages fell.

The latest recession, which left many Americans in fear of losing their jobs, makes the current executive pay bonanza particularly hard to swallow.

But economists are inclined to put efficiency ahead of fairness. At the heart of the problems facing large corporations, many of them say, is a paradox of "managerial capitalism."

The true owners of a corporation, the shareholders, have no direct say in its operations. And when they disapprove of managerial performance they have strong incentives to sell the stock rather than fight for internal changes.

Thus, if managers are to be persuaded to act in the interests of those they represent, said Professor Kevin Murphy of Harvard Business School, "it's crucial to use executive compensation to mimic the incentives of ownership."

And there is no better way, he added, than to link pay to stock prices.

Mr. Crystal compared executive compensation with the total return to stockholders for 450 large corporations and found that just 5 percent of the statistical variation in pay could be explained by variations in corporate performance. "The most common reference used by compensation committees must be a table of random numbers," he said.

Mr. Stein said corporate boards generally do not replace bad managers until the executives have done enormous damage. And they rarely have the information or incentives to pick good executives in the first place. In short, he concluded, "there is no market" for chief executives.

Research by John Kotter and James Heekert at Harvard Business School indicates how important such foot-dragging at the top may be. Their book, "Corporate Culture and Performance," focuses on 10 companies that succeeded in improving overall performance by making major changes in how the company functioned.

There was no single formula for success. But the companies — which included Bankers Trust, New York Corp., General Electric Co. and Nissan Motor Co. — did have something in common: distinguishing them from corporations that tried and failed to change. All brought in outsiders — managers who had not spent a career immersed in the corporate culture that they were pledged to change.

# Netherlands Disqualifies Most of Its Futures Brokers

**Reuters**

AMSTERDAM — The Finance Ministry refused on Monday to grant overseas trading permits to seven of the 11 Dutch futures brokerage houses because of a lack of expertise or trustworthiness.

The Dutch state took over supervision of brokers dealing in commodity, oil and financial futures last year after complaints of excessive commissions. The brokers were previously controlled by the Dutch Commodity Futures Association, an industry body. The association ceased to function after several of its officials resigned over a dispute relating to commissions on limited-liability contracts, which guarantee specified returns to investors.

Only two firms — Geldermann BV and Interfret Futures BV — received outright permits, although Limako Brokerage NV and Broers & Vega BV will be able to continue operations while the ministry studies their cases further.

The seven firms refused permission to trade are Abbenhuis & Molenaar Trading BV, Aespen Futures BV, Futures Consult BV, Hofstee & Van der Laan BV, Inter Invest BV, Kesperry Nederland BV and Pelham Trading Co.

The move does not affect domestic financial or agricultural futures markets, which are overseen by separate regulatory bodies.

# Very briefly:

- Calcevoa Elektrik AS, Turkey's partially state-owned utility, will pay a total of 165 billion lira (\$26 million) in dividends on its 203.4 billion lira 1991 profit.
- Iran will allow private stockbrokerage firms to be set up to help the sell-off of state-owned industries, said the Iranian central bank governor, Mohammad Hossein Adeli.
- Deutsche Luftansa AG, the German airline, had a poor start to 1992 after a 400 million Deutsche mark (\$240 million) loss in 1991 and is unlikely to overcome its financial problems this year, said the management board chairman, Jürgen Weber.
- Saudi Arabia will provide former Soviet republics with loans worth \$1.25 billion, the remaining amount of \$1.5 billion pledged to the Soviet Union last year.
- Gulf Air, based in Bahrain, will receive a guarantee from European export credit agencies on a \$144.8 million loan to help cover the cost of four new Airbus A-320 aircraft, the airline said.

# HYUNDAI: To Silicon Valley

(Continued from first finance page)

that U.S. technology and workers continue to be viewed abroad as world class in key industrial sectors, analysts said.

Hyundai's computers have lagged behind in features that are becoming common in U.S.-made personal computers, such as circuitry designed to accept a new microprocessor chip so machines can be upgraded to faster speeds.

Through the 1980s, many American "wooded" as industrial jobs moved to foreign countries, particularly those in East Asia. But a

# MADONNA: Maverick Mogul

(Continued from page 1)

exclusive recording agreement with Time's Sire Records, for which she made her first recording in 1983, according to the announcement. Her new albums are to be released through Maverick/Sire records.

■ On Par With Jackson Deal

Stephen Holden of The New York Times reported earlier:

Both in its size and in the autonomy it confers, the agreement is unprecedented for a female pop entertainer.

Under a seven-year deal, which can be extended to 11 years, Madonna, 33, will be advanced as much \$60 million, making this one of the most lucrative contracts offered to a pop star. The commitment is comparable to a deal Sony Corp. signed last year with the singer Michael Jackson.

Although Time Warner executives would not confirm figures that have been widely circulated, Madonna's renegotiated recording contract is said to give this singer a \$5 million advance for each of her next seven albums and a 20 percent royalty rate. Since her recording debut, Madonna's albums have sold more than 70 million copies worldwide.

Time Warner said that over the last decade sales of Madonna-related ventures have grossed \$1.2 billion.

Madonna said in a recent inter-

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# MALAYSIA: Expanding Market

(Continued from first finance page)

that foreign buyers accounted for 86 percent of the successful bids and Malaysians the remaining 14 percent. They paid an average of \$160 million for each share, compared with the fixed subscription price for Malaysians of 450 ringgit.

Analysts said that Tenaga was likely to start trading at about the foreign bid level but may fall back to 6 ringgit as Malaysian buyers, many of whom used loans to pay for their shares, take some quick profits to repay banks.

Foreign investors "like to be involved in the initial public offering because they hope to pick up stock a bit cheaper that way," said Eugene Marais, the head of research in the Kuala Lumpur representative office of Baring Securities. "I hope the Tenaga issue will establish

a precedent that other Malaysian companies will follow."

Ooi Sing Kwang, executive vice president in the research division of Rashid Hussain Securities, said that new listings and rights issues by government and private companies would expand the capital base of the Malaysian stock market by an average of 10 percent over the next few years.

"We are already the largest market in Southeast Asia and we are going to run way ahead of Singapore," he said.

The market capitalization of the Stock Exchange of Singapore is about \$52 billion.

The Kuala Lumpur and Singapore exchanges, which for years operated as one market, split in 1989 as Malaysia sought to strengthen its role as a regional financial hub.

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**ORDRE DU JOUR**

1. Rapport de gestion du Conseil d'Administration;
2. Rapport du Réviseur d'Entreprises;
3. Approbation des comptes de l'exercice au 31 décembre 1991;
4. Affectation du résultat de l'exercice;
5. Décharge aux administrateurs;
6. Réélection des administrateurs sortants;
7. Nomination de Monsieur Arvis comme administrateur;
8. Divers.

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ASIA/PACIFIC

Asia to Pace World Trade This Year

HONG KONG — Asia's major trading economies are expected to continue to outpace overall world growth this year...

He said that with economic growth in Germany and Japan expected to remain slow...

Asia's share of world trade approached 25 percent by value last year...

Asian manufactured exports also enjoyed fast growth in volume...

South Korea, whose trade surplus of the 1980s turned into deficits in the 1990s...

A preliminary report by the Bank of Korea said the trade deficit narrowed to \$2.66 billion...

The shrinkage in the deficit was the result of imports that grew just 5.6 percent...

With the cooling of the overheated economy and slowed import growth...

He said, however, that negative factors remained, such as excessive private consumption...

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Malaysia Aids Hanoi Trade

HANOI — Vietnam signed Monday three economic and technical accords with Malaysia...

Meanwhile in Singapore, also an ASEAN member, Vietnam signed an air-services agreement...

One of the agreements with Malaysia was to expand post and telecommunications links...

A third was a memorandum of understanding on Malaysian technical assistance to Vietnam's rubber industry...

Prime Minister Mahathir bin Mohamad of Malaysia, who arrived Sunday at the head of a delegation...

During talks Monday, Prime Minister Vo Van Kiet of Vietnam said his country supported Malaysia's desire...

Mr. Mahathir's six-day visit is the first by a Malaysian prime minister to Hanoi...

"There are only two outstanding issues to be resolved between us," Mr. Mahathir was quoted as saying...

"Whoever opposes reform and opening will lose office," Mr. Deng was quoted as saying.

The article, titled "Spring Tide in the Southern Seas," was published over the weekend in several southern newspapers...

Mr. Deng's earlier media offensive began in southern newspapers in February and hard-liners held up its appearance in the tightly controlled national media...

While most senior leaders are now publicly echoing Mr. Deng's call for reform...

The official Economic Daily devoted much of its front page Sunday to refuting rumors of chaos at a factory that tried to end the cradle-to-grave welfare social program...

It said rumors that the army had taken over the Tianjin Watch Factory, and that some people had committed suicide, were false.

Late Buying Brakes Fall in Tokyo Stocks

TOKYO — Tokyo stock prices nearly went over the cliff's edge again on Monday...

The renewed weakness of stocks hurt both the yen and yen bonds.

Trade was thin because of the long Easter weekend in other key trading centers...

"There was little activity from foreigners, and Japanese investors are hesitant to do anything anyway these days," said Paul Migliorini of Jardine Fleming...

Dealers said investors who powered last week's rebound by bidding up selected stocks unloaded them to lock in short-term profits...

The pessimism was triggered by comments by the U.S. Federal Reserve Board chairman, Alan Greenspan, on April 17...

After opening lower, the Nikkei slowly slipped all day in line with futures prices to bottom 645.02 points down at 16,935.67...

"Last-minute index-linked buying managed to bring the average up above the 17,000 mark but the market's overall sentiment remains bad," said Toshio Sumitani...

Weak stock prices exerted a negative influence on the Japanese currency against the dollar...

Yen bond prices, meanwhile, were sharply down from their Friday closes in active afternoon trade on the back of the Nikkei's renewed decline...

of the 10-year government bond futures closed at 100.85 yen, down from a 101.50 close on Friday.

The Nihon Keizai Shimbun said that seven out of 10 Japanese company presidents responding to a survey by the newspaper said they believed Japan's economic slowdown would continue through the first half of fiscal 1992...

The Nikkei average has fallen almost 26 percent since Jan. 1 on expectations of weak earnings in the face of a steeper-than-expected decline in the Japanese economy.

Consumer spending, which had been expected to prop up the economy, has recently shown signs of serious erosion.

In Singapore, Tokyo's fall weighed on local stocks, but prices retraced some early losses.

Taiwan stocks wavered narrowly before finishing slightly higher.

(Reuters, Bloomberg, AP)

Investor's Asia

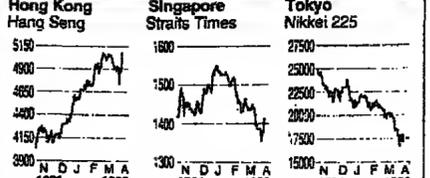


Table with columns: Exchange, Index, Monday Close, Prev. Close, % Change. Rows include Hong Kong, Singapore, Sydney, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, Bombay.

Sources: Reuters, AFP International Herald Tribune

Deng Revives His Push for Reform

BEIJING — The architect of China's economic reforms, the 87-year-old Deng Xiaoping, has begun a second media drive against opponents in an article published in southern newspapers.

Mr. Deng has been battling hard-line Marxists since the beginning of the year in an effort to speed up economic changes.

An article detailing his January trip to the southern Zhuhai special economic zone showed that China's paramount leader had harsh words for anyone who blocked his path.

"Whoever opposes reform and opening will lose office," Mr. Deng was quoted as saying.

The article, titled "Spring Tide in the Southern Seas," was published over the weekend in several southern newspapers received in Beijing on Monday.

"It is a clear sign that Deng is encountering stiff resistance to his reforms and feels he has to come out again," a Western diplomat said.

Mr. Deng's earlier media offensive began in southern newspapers in February and hard-liners held up its appearance in the tightly controlled national media for several weeks.

While most senior leaders are now publicly echoing Mr. Deng's call for reform, many are only half-hearted in their endorsement and some are blocking his attempts to make major personnel and policy changes.

The official Economic Daily devoted much of its front page Sunday to refuting rumors of chaos at a factory that tried to end the cradle-to-grave welfare social program.

It said rumors that the army had taken over the Tianjin Watch Factory, and that some people had committed suicide, were false.

Yen bond prices, meanwhile, were sharply down from their Friday closes in active afternoon trade on the back of the Nikkei's renewed decline.

The June contract

renewed decline.

Jakarta Market Reopens After Privatization

JAKARTA — The Jakarta Stock Exchange reopened on Monday under new private management...

But analysts said high interest rates and two crucial elections — a parliamentary vote in June and presidential vote in March — could conspire to keep the market in the doldrums for another year.

Hopefully, the market will be better regulated in the future, but the fundamentals in the economy still look bad," said Jolyon Petch, the head of research at PT Jardine Fleming Nusantara.

After 13 years' management by the government's Capital Market Supervisory Board, shares in the exchange were sold to securities houses.

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Very briefly:

- Mitsui Petrochemicals Ltd. and Mitsui Toatsu Chemicals Inc. said they had discussed a merger that would create a chemical company with annual revenue of 770 billion yen (\$5.7 billion)...

INTERNATIONAL FUNDS

April 17, 1992

Quotations supplied by Funds listed. All asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

The merged symbols indicate frequency of quotations supplied: d-daily; w-weekly; bi-bi-monthly; q-quarterly; t-twice weekly; m-monthly

Table listing various international funds with columns for fund name, asset value, and other details.

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# SPORTS AMERICA'S CUP

## Superlative Goaltending: NHL Postseason as Usual

*The Associated Press*  
Who were those masked men? John Vanbiesbroeck... Don Beaupre... Patrick Roy, among others.  
As usual, the National Hockey League playoffs featured top-notch goaltending, with Vanbiesbroeck, Beaupre and Roy the key players for their teams on Sunday night.  
Vanbiesbroeck led the New York Rangers to a 2-1 victory over the New Jersey Devils. Beaupre back-

### STANLEY CUP PLAYOFFS

stopped Washington's 3-1 triumph over Pittsburgh. And Roy shut out Hartford for Montreal, 2-0.  
Buffalo beat Boston, 3-2, in another low-scoring game that featured strong play by rookie goaltender Tom Draper.

"That's basically what playoff hockey is all about — a hot goaltender," said New Jersey's Bruce Driver, whose teammate, Chris Terrier, also played well in the Wales Conference playoffs on Sunday.

### Patrick Division

Rangers 2, Devils 1: The Rangers got another strong performance from Vanbiesbroeck and their defense.

Darren Turcotte and Mike Gartner scored a goal each for the winners in New York.

"We know that he is so hot lately that we had to go with him," the coach Roger Neilson said. "He's only been allowing a goal a game for quite a few games now, so there wasn't really much of a decision."

Vanbiesbroeck, the NHL's hottest goaltender at the end of the regular season with a nine-game unbeaten streak, made 36 saves and was at his best in the second period with the Rangers clinging to a 1-0 lead.

The Devils were held away by Vanbiesbroeck and a tough defense until 13:31 of the third period, when Zdeno Ciger put in a 30-footer (19 meters) from the slot. It was only the 12th goal scored against Vanbiesbroeck in the last 11 games. Vanbiesbroeck extended his home unbeaten streak to 16 — (3-0-3).

Terrier made 36 saves as New York outshot New Jersey, 38-27.

Capitals 3, Penguins 1: Beaupre's performance probably would have been enough even if Mario Lemieux had played for Pittsburgh. Scratched with a bruised right shoulder, Lemieux had a league-high 131 points this season despite missing 16 games with injuries.

Beaupre stopped 32 shots and Peter Bondra scored twice as Washington, playing at home, beat the defending Stanley Cup champions.

John Druce made it 2-1 at 13:42 of the second period, and Bondra iced the victory against goaltender Tom Barraso by converting a pass from Al Iafraite with 2:08 left.

### Adams Division

Canadiens 2, Whalers 0: It was a Dionne who did the scoring for Montreal, just like the old days.

Gilbert Dionne, 21 and the younger brother of Hall-of-Famer Marcel Dionne, talked twice in his first career playoff game. Roy, an old hand, made 32 saves before a relatively small Montreal playoff crowd of 16,634 for his fifth career postseason shutout.

Dionne's opening goal came on the power play after Mike Keane poked free the puck from a scramble in the corner. Dionne, Montreal's top scorer in the second half of the season with 21 goals, picked up the puck behind the net and swept around to tuck it under goaltender Frank Pietrangolo at 16:18 of the opening period.

Dionne's other goal came at 15:55 of the third period, when Hartford defenseman Zarley Zalapski fell at the Montreal blue line, giving the Canadiens a 3-on-1 break. Denis Savard slipped the puck across to Dionne for a quick snap under the crossbar.

Sabres 3, Bruins 2: Buffalo, which led the league with 105 power-play goals, took advantage of penalties on goals by Pat LaFontaine and Doug Bodger to take a 3-0 lead in the second period.

Then they hung on as Draper was outstanding in the face of 19 third-period shots from the fired-up Bruins.

Still, the visiting Sabres had to withstand Boston's furious third-period comeback. The Bruins, who had two apparent goals waved off in the second period, took the first 11 shots of the third. Adam Oates and Vladimir Ruzicka scored on two of them.

## 6 Bulgarian Weightlifters Get 2-Year Bans for Dope

*Reuters*  
SOFIA — Six members of Bulgaria's weightlifting team were banned from competition for two years Monday after a second dope test proved positive.

The weightlifters, two of whom were world champions, tested positive Sunday following a routine check by their coaches on Friday.

The lifters were scheduled to take part in the European championships, which begin Wednesday in Hungary.

The Bulgarian coach, Nurair Nurikyan, said urine samples showed that the six had used the weight-reducing diuretic saluretin. Nurikyan suggested there had been undue interference, noting that the diuretic was without color, taste and smell and could easily be placed in food or drink.

The six lifters, all under 25, include Petar Stefanov, 1989 world champion in the 110-kilogram (240-pound) category and Plamen Bratoychev, 1989 world champion and 1990 European silver medalist at 82 kilograms.

It was the second doping scandal in Bulgarian sports in a week. Three leading women gymnasts were banned for two years after testing positive for diuretics on Tuesday.



Darren Turcotte celebrating as the puck sails past Chris Terrier, New Jersey's goaltender, and into the net for the Rangers' first score.

## America3 Gets Off to Fast Start

By Barbara Lloyd  
*New York Times Service*

SAN DIEGO — Bill Koch has complained for days about Dennis Conner's luck in the America's Cup defense trials. But Conner watched luck vanish Sunday as Stars & Stripes lost to America3 by 2 minutes 9 seconds in the opening match of the defense finals.

On the challengers' course, New Zealand lived up to its reputation as the favorite by defeating Italy's Il Moro di Venezia by 1:32 in the first of their five-of-nine-race series.

America3 overtook Stars & Stripes downwind on the second leg, and Conner never caught up — the same kind of tactical embarrassment that caught Stars & Stripes short the previous day.

So Conner headed off ahead and to the right where the breeze, from the southwest at 9-9 knots, appeared most favorable.

Buddy Melges, at the helm of America3, held to his course up the first leg, preferring to gain an advantage by straight-line speed rather than engaging Stars & Stripes in a tacking duel over the three-mile (4.8-kilometer) stretch.

At the mark, Stars & Stripes rounded 15 seconds ahead, but America3 edged closer to Stars & Stripes in the second leg, forcing Conner to jibe away for clear air.

After jibing twice more, Conner came back to find that America3 had gained on the left, ahead by about three boat lengths.

At the downwind mark, Melges' lead was fully established at 40 seconds.

With victory Sunday, America3 claimed a 1-0 score in the 7-of-13-race series.

On the challengers' course, New Zealand took command from the start, fighting for the right as Il Moro crossed the start line 18 seconds behind and to the left.

Paul Cayard, skipper of the Italian boat, tacked furiously in an effort to break through New Zealand's lead. But by the first mark — 23 tacks later — Italy was 19 seconds astern.

## American Ascribes His Sumo Status to Racism

*Reuters*  
TOKYO — An American sumo wrestler is blaming racism for his failure to become Japan's first foreign grand champion.

"Bluntly speaking, it is racial discrimination," Satevava Atisoneo, the wrestler, was quoted as saying in Monday's issue of Nihon Keizai Shimbun.

"There is only one reason why I did not make it to yokozuna," he told the newspaper. "It's because I'm not Japanese."

Yokozuna is sumo's highest rank. To reach it, a wrestler must win two consecutive tournaments or have a comparable performance.

Atisoneo, the 262-kilogram (575-pound) Hawaiian-born wrestler known here as Konishiki, has won two of the last three tournaments but the victories were not consecutive.

Japan Sumo Association rules also call for grand champions to possess *hinkaku*, an aura of dignity.

Critics say that criterion is too vague. An association committee rules on promotions to the rank of yokozuna.

"I want to look at things with a wider perspective," the American said. "The Japanese look at things with a narrower perspective — they're all tied up with rules."

Officials at the association and Konishiki's training organization were not immediately available for comment.

His remarks appeared to mark a sharp change from his earlier stance. Shortly after he won his second tournament, in March, he shrugged off the issue of his status, saying the question was best left to those who decided such matters.

The Japanese media have argued that Konishiki's case for promotion would be irresistible if he won the next tournament in May.

He would be the first foreigner ever to reach yokozuna rank.

## CHESS

By Robert Byrne

IN the Linares International Tournament in Spain, Garry Kasparov of Russia drew with the Ukrainian Vasily Ivanchuk and won from Boris Gelfand, of Russia. Gelfand and Ivanchuk contested the following battle in Round 4.

The King's Indian is a double-edged defense in which White has little trouble gaining positional advantage on the queenside and Black must fight his way out of the pressure by creating a mating attack on the other wing.

In the Orthodox System with 5 Nf3 and 6 Bc2, the quiet 7...Nbd7 has the demerit of letting White maintain a flexible pawn center and thus keep control of the timetable for wing advances. The alternative, 7...Nc6, forces a decision about the d4 pawn because the threat is 8...ed 9 Nd4 Nc4! In a Chekova-Te game, Soviet Union, 1991, White tried to keep the tension with 8 Bc3, but after 8...Ng4 9 Bg5 10 Bb4 g5 11 Bg3 Nf6 12 de fe 13 c5? g4 14 Nd2 de 15 Nf3 b6!, Chess Informant 51 rates Black as superior.

Both 9 Nd2 and 9 Nc1 prevent 9...Nf5 followed by 10...Nf4. One point in favor of 9 Nd2 is that, if White succeeds in thrusting the thematic c5, he can continue with the positionally strong Nc4.

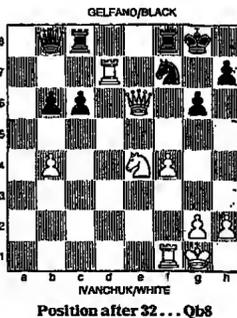
In Round 5, the Belavsky-Timman game went 9...c5 10 Rb1 Nc8 11 b4 b6 12 a4 f5 13 a5 Nf6 14 ah ab 15 f3 Bb6 16 Nb3 Bc1 17 Nd Bc7 18 Nd3, with the initiative for White, who won a long struggle.

In Round 3, the Ivanchuk-Kasparov game had gone 14...Ng6 15 Bd3 f4 16 Nf5 b6 17 c3 de 18 ba Ra5 19 Nc4 Ra8 20 a4 Nc8 21 a5 Ba6 22 Bd2 Bb5 23 Rb5 Nf6 24 Rb2 Qe7 25 Nd6 Qd6 26 Bf5 ha 27 Bc6 Rab8 28 Ra2 Rf7 29 Ra5, yielding White positional advantage to compensate for the pawn he sacrificed, yet Kasparov managed to draw.

That Gelfand's 14...Bb6 15 Nf5 ab 16 ab Nd6 was no improvement became evident after 17 c5!, after which White's queenside attack was under way, whereas Black had produced nothing on the kingside. Had Gelfand captured with 18...dc 19 Qc5 Nd5, White could have won with 20 Bb6 Nf6 21 Nc7! Nc7 22 Qc5 Kg8 23 Bc4 Nf7 24 Rf4 Bd7 25 Nf6 Kg7 (or 25...Rh8 26 Qh2!) 26 Ne8 Kh6 27 Qe7 Kg7 28 Qf8 Qe8 29 Qf7.

On 19 cd, there was no hope in 19...Nc3 20 Qc5! Nf1 21 Bb6 Nf6 22 Qc5 Kg8 23 Bc4 Nf7 24 Rf1 ce 25 Nc7 Ra2 26 Nf6 Kh8 27 Bf7 Rf7 28 Ng4 Rg7 29 Ne8 Qd7 30 Ng7 Qg7 31 Qe8 Qg8 32 d7. Of course, after 19...c6, Ivanchuk just kept hammering on the black position.

After 27 f4! the situation called for desperation and Gelfand tried 27...Nd6. But after 28 Qc5 Kg8 29 Ne6! Bc6 30 Qc6 Nf7 31 Rbd1 Qf7 32 Rd7 Qb8 Ivanchuk's 33 f5! was crushing. Gelfand could not play 33...Qc5 because of 34 Rf7! Qd4 35 Kh1 Rf7 36 fg. Moreover, 33...g5 34 Ng5 Re3 35 Rf4 Re6 36 fe Re8 37 Qf7 Qc6 38 Rf8 Rf8 39 Rf5 Kg7 40 e8/N Kf8 41 Nd6 puts White two knights ahead. Gelfand gave up.



Position after 32... Qb8

White	Black	White	Black
Ivanchuk	Gelfand	Ivanchuk	Gelfand
1 d4	Nf6	17 c5	fe
2 e4	g6	18 Nc4	Nd5
3 Nc3	Bg7	19 cd	ce
4 e4	de	20 Qc5	Bd7
5 Nf3	O-O	21 Bf6	Nf6
6 Bc2	e5	22 Nc7	b6
7 O-O	Nc6	23 Qc2	Nf4
8 d5	Ne7	24 Qb2	Ne2
9 Nd2	cd	25 Qc2	Rc8
10 Rf1	Nd7	26 Qb2	Nf7
11 a3	f5	27 f4	Nd6
12 ba	Kg8	28 Qe8	Ke8
13 fe	Ng8	29 Ne6	Be8
14 Qc2	Bf6	30 Qe5	Nf7
15 Nf6	ab	31 Rbd1	Qc7
16 ab	Nd6	32 Rf7	Qb8
		33 f5	Resigns

## DOONESBURY



## DENNIS THE MENACE



"I JUST WANTED GINA TO LIKE ME AND BESIDES, YOU GOTTA JILLION EARRINGS."

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SUPEA  
OBOAT  
QULLAS  
YOHRT

Now arrange the coded letters to form the surprise answer, as suggested by the above cartoon.

Answer here: \_\_\_\_\_

Answers tomorrow

Yesterday's: JUMBLES: MONEY AGENT POTTER GUIDED  
Answer: On Mondays, many a man goes to the barber with before breakfast... GETTING UP

## BOOKS

HADLEY

By Gioia Diliberto. 342 pages. \$24.95. Ticknor & Fields, 215 Park Avenue South, New York, New York 10003.

Reviewed by Margaret Camp

SHE was the woman he took one look at and knew instantly he would marry. She called the evening she met him her "explosion into life." She was Hask, Hasovitch, Bones and Feather Cat. He was Oin, Nesto, Stein and Wax Purrpy. She was the source of much of his material, yet she is sometimes remembered more for losing a suitcase (it was stolen) that held his early manuscripts. Years later, after their affair and marriage had ended, he wrote, "I wished I had died before I ever loved anyone but her."

She was Elizabeth Hadley Richardson and he, of course, was Ernest Miller Hemingway. In 1920 they met and began a romance that "played out through jazz age Europe while Ernest was carving the prose style that would change the course of American writing." "Hadley" re-created the passionate relationship that developed between them, beginning with their obligatory courtship after World War I, followed by their marriage in Horton Bay, Michigan; bohemian life in Paris with the expatriate crowd; the birth of their son Jack; Ernest's affair with Pauline Pfeiffer, and their subsequent divorce.

Although Hadley destroyed many of Ernest's letters after their breakup, those that remained were discovered after her death in 1979 by their son, Jack. In addition to many interviews with Hadley's friends and family and the past work of numerous biographers, these letters provide the basis for "Hadley."

She influenced Ernest's talent. "The qualities associated with his style — simplicity, honesty, freedom from 19th-century flourishes — were the very sorts of qualities often ascribed to Hadley herself," Diliberto writes. The beginning of "The Three Day Blow" is typical of his stripped, clean prose style: "The rain stopped as Nick turned into the road that went up through the orchard. The fruit had been picked and the fall wind blew through the bare trees. Nick stopped and picked up a Wagner apple from beside the road, shiny in the brown grass from the rain. He put the apple in the pocket of his Mackinaw coat."

Diliberto cites biographer Peter Griffin's discovery that such staple Hemingway themes as sexual confusion, couples as "twins" and the "Papa" persona could be traced back to these letters. Other biographers have noted that some of Hadley's comments, like "hold yourself down to truthfulness," foreshadowed his later aesthetic theories.

"Hadley" tells the sweeping story of her romance with Hemingway with warmth and excitement. It portrays Hadley, somewhat neglected by Hemingway's early biographers, as a spirited and interesting woman. On the one hand, she was nurturing, intelligent, kind and dignified. On the other hand, she liked to drink, ski, laugh and watch bullfights. Ultimately, she was the ideal muse for Ernest Hemingway.

Excerpted from a review by Margaret Camp, a Washington writer, for *The Washington Post*.

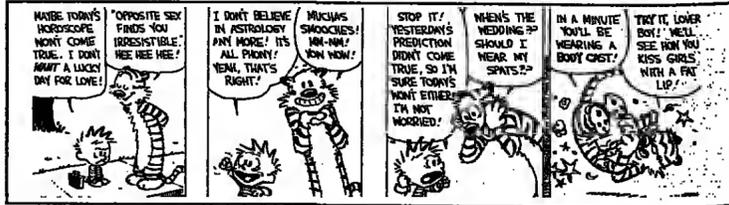
## PEANUTS



## BEETLE BAILEY



## CALVIN AND HOBBES



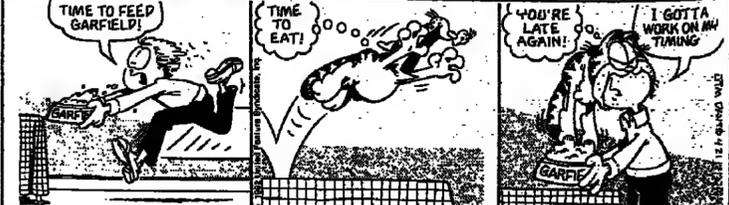
## WIZARD of ID



## REX MORGAN



## GARFIELD





ART BUCHWALD

Sticking to the Issues

WASHINGTON — "Ladies and gentlemen, Senator Curlew will be out in a moment to answer your questions." "Senator, what do you propose to do about the federal deficit and the shortfall in tax returns in order to meet the interest due on our Treasury notes?" "That's nobody's business but mine. Wherever I go people ask me about the deficit, taking time away from the issues the American people are interested in, such as how many wives I have had?" "How many wives have you had?" "Five, but I married Isabella twice."



O'Keefe Works Set at \$36 Million

WASHINGTON — More than 400 unsold paintings and sculptures by the late Georgia O'Keefe have a fair market value of \$36.4 million, a U.S. Tax Court has ruled. The ruling will mean a sizable tax saving for the estate of O'Keefe, who died at 98 in 1986. The Internal Revenue Service had billed the estate for an additional \$6 million in estate taxes. Judge Mary Ann Cohen rejected the opinions of experts used by the IRS and by the O'Keefe estate. Both sides agreed that the works were worth more than \$7.7 million at the time of her death if sold piece by piece, but they could not agree on how much the price would drop if all the pieces were put on the market at once.

When Mr. Right Happens to Be on the Left

By Alessandra Stanley New York Times Service

WASHINGTON — There is a woman who will fight to the death to make sure that Bill Clinton does not beat George Bush.

There is a man who will fight to the death to make sure that Bill Clinton does beat George Bush.

People will say they're in love. Mary Matalin, political director of President Bush's campaign, and James Carville, Governor Bill Clinton's chief strategist, are Washington's oddest couple. Matalin says they have put their romance on hold until the campaign is over. But many of their colleagues seem skeptical that it is completely on hiatus — including the volatile Carville himself, who cheerfully discusses their dangerous liaison in the present tense.

The relationship between the two earthy, high-wattage campaign figures is viewed as a political version of Romeo and Juliet, or the Sharks and Jets. But in the campaign road show production of "West Wing Story," Maria's lament that "when love comes so strong, there is no right or wrong," has been changed to "there is no right or left."

Matalin and Carville are merely the most vivid example of an epidemic of cross-dating — including the president's daughter, Dorothy Bush LeBlond, who is engaged to a Democratic congressional aide — that is alarming members of both parties.

It is not just that in this partisan season fraternization is viewed as treason. There is an unsettling pattern to these bipartisan relationships: 9 times out of 10, it is a Democratic man involved with a Republican woman.

This leads to theories. In homage to the film director Spike Lee, some say this is a case of opposites attracting in a sort of "Potomac Jungle Fever."

But as for why Democratic men, but not women, are breaking political taboos, some have a theory that may deflate Republican male egos. "There is a dearth of Republican men you'd want to date," said Torie Clarke, the press secretary for the Bush re-election campaign, who is engaged to a Democrat.

"I call them the 'galoshes and C-Span' guys," Clarke said gleefully of her male political counterparts, whom she described as more like Casper Milquetoast than Arnold Schwarzenegger. Schwarzenegger, an exception, is a Bush supporter who married a member of the Kennedy clan, Maria Shriver, the television journalist.

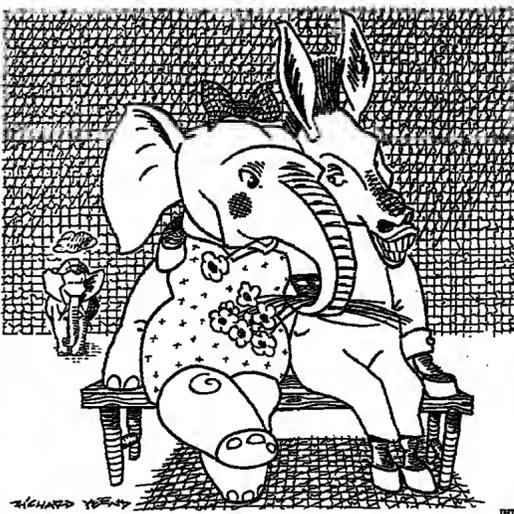


Illustration by Richard Yeung

lary to Nancy Reagan and George Bush, spoke of Democratic men's hormonal urges in terms usually used to describe the biological imperative of invertebrates.

"The reason all these Democratic men are going after Republican women," Tate said, "is that they're trying to replenish their gene pool to produce a winner."

And some Democrats agree, detecting a Balzacian subtext to these courtships. Robert Squier, a media consultant, said that some Democrats were growing frustrated after losing three presidential elections in a row. "If you can't win it you marry it," he said.

When Bush's daughter announced her involvement with Robert P. Koch, an administrative aide to the House majority leader, Richard A. Gephardt, Bush may have quailed at first; the Missouri Democrat, after all, is one of his more outspoken critics. But the president has embraced his Democratic future son-in-law with a Bush family accolade: He is a "good golfer."

The course of bipartisan true love has not always run so smoothly. Debbie Dingell, who was an active Republican before her marriage, said that when she first informed her parents that she was engaged to John D. Dingell, a Democratic representative from Michigan, "Mother was horrified." Mrs. Dingell felt obliged to switch parties.

relationship for her own reasons. "It is a complicated relationship, the object of which is to not see each other, not talk — and spend our days destroying the other guy's work."

They rarely discussed ideological differences, she said, adding wryly, "We have plenty of conflicts outside of politics."

"I was attracted to his wackiness and eccentricity," she said. "He is very funny." She acknowledged, however, that "there are days when I pick up the paper and I want to rip his face off."

Carville echoed her sentiments, more gallantly. "We are both very competitive people," he said, "but I've never been attracted to shrinking violets." He added, "Mary is more popular with my Democratic friends than I am, but to me, the least attractive thing about Mary is her politics."

Many of Matalin's friends suggest that the Cajun, irreverent and intense Carville is a Democratic reincarnation of her former political mentor, Lee Atwater, the Southern, irreverent and hyperactive head of the Republican National Committee who died last year.

"I cringe when I hear that," said Matalin, who explained that Carville and Atwater shared other differences besides ideology. Rock 'n' roll was one. "James is pre-Beatles, and Lee was post-Beatles," she said.

Many argue that the real explanation is that in Washington, there is no real difference between Democrats and Republicans — they are all political animals more obsessed with the adrenaline of campaign competition than ideological principles.

Patrick H. Caddell, a political consultant and an unpaid adviser to Edmond G. (Jerry) Brown Jr., the former California governor, insisted that bipartisan romances were a symptom of corruption in Washington.

"They are a confirmation of what Jerry Brown has been saying: It's a one-party system — the incumbency party. They take the same money, support the same interests and share the same world view."

Caddell said the issue was scandalous enough to warrant in-depth examination by Oprah Winfrey and Phil Donahue. "I'd call it 'Bad Choices: Republican Women and the Democratic Men Who Love Them,'" he said.

Few Democratic women seem to be drawn to Republican men. A notable exception is Anna Bennett, a Democratic iconoclast who married John Buckley, an iconoclastic conservative who worked for President Ronald Reagan and Jack F. Kemp, the housing secretary and former congressman, and who does not fit the "galoshes and C-Span" mold.

PEOPLE

Yevtushenko Seeking Some Peace in Academe

Yevgeny Yevtushenko, the flamboyant Russian poet, is headed for the groves of academe at the University of Tulsa, in Oklahoma. He will teach at least one semester in 19th- and 20th-century poetry and translation beginning in the fall, the provost, George Gilpin, said.

The model Cindy Crawford said she and the actor Richard Gere "naturally got married because I wanted to," adding that she wanted children "more than anything." She reflected, "Models are like baseball players. We make a lot of money quickly but all of a sudden we're 30 years old, we don't have a college education, we're qualified for nothing, and we're used to a very nice lifestyle. The best thing is to marry a movie star."

More scandalous behavior by Britain's royal family? Well, not exactly. But a series of watercolor depictions of naked royals has caused a stir with Fleet Street newspapers.

"The queen is not amused, but the Duchess of York is said to find it a giggle," one newspaper reported. The paintings, by the artist Donald Grant, 43, were on show at the private Chelsea Arts Club and have been taken down "until things quiet down," said Hugh Gilbert, the club chairman. One of the paintings depicted the entire royal family standing naked on the balcony of Buckingham Palace, while another pictured Queen Elizabeth II in a little more than her white gloves, a crown, and a strategically placed handbag. The series also included a rear view of Princess Diana standing next to a pudgy Sarah, duchess of York, both nude, and one of the queen's daughters, Princess Anne, riding a horse à la Lady Godiva. The Sunday Times said the palace was "beside itself with anger" when asked if the subjects had posed. John Haslam, a deputy press secretary, called the question "not even worth answering."

The actor Bart Reynolds was addicted to the prescription sleeping drug Halcion, would take up to 30 pills a day and nearly died; he told a magazine, "I was sleeping longer and longer." Reynolds said, "I was taking 50 pills a day. Fifty. Doctors told me if I had taken one more I would have died. It was that simple."

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